

DAILY REPORT

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AGREEMENT WITH WORLD BANK TOTALS \$4.1 BILLION

HK190035 Beijing CHINA DAILY in English 19 Aug 86 p 2

[By staff reporter Tian Ying]

[Text] China has signed loan and credit agreements totalling \$4.1 billion with the World Bank since 1981. About \$1.2 billion has been disbursed between 1981 and June of this year, including \$400 million in the first half of this year, according to an official of the Ministry of Finance.

Another \$400 million plus is expected to be disbursed this year, bringing the year's total to as much as the aggregate in the previous four years, said Luo Qing, Vice-Director of the External Finance Department of the Ministry.

China has gained experience in using foreign loans through several years of co-operation with the World Bank, Luo said.

The period between the signing of a loan and first disbursement is now about six months. It used to be a year or more, he said.

Large quantities of equipment for projects started in 1983 have arrived this year. This is another reason for the quickening of loan disbursement, the Vice-Director said.

According to Luo, 40 percent of the agreements signed in the past five years are interest-free, International Development Association (IDA) credits to be paid back in 50 years. The rest are IBRD loans that will be repaid in 20 years.

Half of the borrowed money will go to projects involving energy or transport. The rest will be used to support education, public health, agriculture and technical renovation of industry.

"While receiving the loans," Luo said, "we have also learned scientific management from the World Bank"

Government loans are another major funding source in China.

Japan began making loans to China in 1979. About \$3.4 billion (according to the current exchange rates) in loan agreements have been signed between the two countries during the past seven years, Chen Kongming, head of the Loan Bureau of the Ministry of Foreign Economic Relations and Trade, told CHINA DAILY.

About \$520 million has been contracted for this year, an increase of 7.3 percent over the last year, Chen said.

Apart from Japan, 13 other countries including Kuwait, Denmark, Belgium, Italy, Spain, Sweden, France, Britain, West Germany, Australia, Switzerland, and Holland have made loans to China. Some other countries are expected to join the list soon.

In order to speed up disbursement of foreign funds, Chen said, the bureau has acted as a link between the lender and the borrowers, helping loan-users to solve problems.

It often helped end-users to hold public international bidding for equipment and also to find equipment in short supply on the domestic market.

INTERNATIONAL EDUCATION MEETING OPENS IN NANJING

OW181445 Nanjing Jiangsu Provincial Service in Mandarin 1000 GMT 16 Aug 86

[Text] A meeting of the group for the appraisal and study of educational reform and tele-education [chang juli jiao yu] for the development of service programs in the Asian-Pacific region opened today in Nanjing.

Attending the meeting are representatives from 11 Asian-Pacific nations, officials of the Asian-Pacific office of the group, and responsible comrades of the Chinese State Education, Sciences, and Cultural Commission.

The meeting will review and evaluate all tele-education work for the development of service programs carried out in the course of education reform in the Asian-Pacific region in order to lay a sound foundation for further developing the tele-education system and structure and for improving experimental materials and equipment used in evaluating tele-education.

Currently in Jiangsu, tele-education is being promoted mainly in the form of audiovisual and correspondence education programs over television and radio.

ARKHIPOV MEETS QIAO SHI, DISCUSSES TALYZIN VISIT

HK190924 Hong Kong AFP in English 0839 GMT 19 Aug 86

[Text] Beijing, Aug 19 (AFP) -- Soviet first Vice-Premier Ivan Arkhipov, officially here for acupuncture treatment, has met with one of China's most influential new leaders, Vice-Premier Qiao Shi, a Western diplomatic source has said.

Mr Qiao is the fourth Chinese Vice-Premier with whom Mr Arkhipov has had talks since he arrived here July 27.

Mr Arkhipov's meeting with Mr Qiao had a special significance, Western diplomats said. Appointed vice-premier in April, Mr Qiao is a member of both the Politburo and the Secretariat of the Chinese Communist Party and is regarded as a possible successor to China's senior statesman Deng Xiaoping.

Mr Arkhipov, whose arrival was kept secret by Beijing and Moscow, had earlier taken advantage of his private visit to discuss Sino-Soviet relations with Vice-Premiers Yao Yilin, Wan Li and Li Peng, informed Asian sources said.

It is not known how long Mr Arkhipov will be staying in Beijing. Soviet aides to Mr Arkhipov Monday declined to answer questions, and the Soviet Embassy had no comment on his departure date.

Speaking in Vladivostok on July 28, Soviet leader Mikhail Gorbachev announced plans for a partial withdrawal of Soviet troops from Afghanistan and Mongolia, and proposed space cooperation with China.

China has had a cautious but generally favourable reaction to Mr Gorbachev's speech.

Mr Arkhipov has been receiving acupuncture treatment at the Sino-Japanese hospital here for partial paralysis of the face, informed Soviet sources said.

Another Soviet first vice-premier, Nikolay Talyzin, is due here in the first 10 days of September for talks with Chinese leaders. These are expected to cover economic, commercial, scientific and technical cooperation, Soviet sources said.

Informed East European sources here said Mr Arkhipov had discussed details of Mr Talyzin's trip with Chinese officials.

Mr Talyzin, who is also head of the State Planning Commission, will be the first Soviet leader regarded as close to Mr Gorbachev to visit China.

BEIJING'S CHEN XITONG MEETS MOSCOW MAYOR

OW190025 Beijing XINHUA in English 0009 GMT 19 Aug 86

[Text] Moscow, August 18 (XINHUA) -- Moscow Mayor V. Saykin today held talks with his Chinese counterpart Chen Xitong. Chen, mayor of Beijing, arrived here yesterday for a two-week visit, the first of its kind in three decades.

FLEXIBILITY IN SOVIET MIDEAST POLICY VIEWED

OW181232 Beijing XINHUA in English 1212 GMT 18 Aug 86

["News analysis: New Flexibility in Soviet Mid-East Diplomacy by Lu Chengzhe" -- XINHUA headline]

[Text] Damascus, August 18 (XINHUA) -- Delegates of the Soviet Union and Israel are meeting in Helsinki today, the first formal talks between the two countries in 19 years after the Soviet Union severed its diplomatic relations with Israel in the 1967 Mid-East war.

The meeting is reportedly to consult over the establishment of consular ties between the two countries. But it is seen by diplomatic observers here as another sign of flexibility in the Soviet diplomacy after Mikhail Gorbachev came to power.

According to diplomatic sources here, Gorbachev has criticized his predecessors' Mid-East policy as "too rigid". "Whatever the Americans can do, we can do also," he was said to have instructed his Foreign Ministry officials.

The Soviet-Israeli talks in Helsinki are seen by diplomatic observers here as an attempt of Moscow to play a more important role in the Middle East affairs. They considered that Moscow's wishes, first of all, are to remove an obstacle to its taking part in an international meeting for the Mid-East peace to end the Arab-Israeli conflict.

Israel had vehemently opposed the Soviet participation in such a meeting on the ground that there are no diplomatic ties between the two countries.

To placate the Syrians who have been strongly opposed to the Soviet initiative to restore its ties with Israel, the Soviet ambassador here has stated that the Soviet Union, while not opposing the existence of Israel as a state in the Mid-East, will not restore its normal relations with Israel so long as it persists in its policy of aggression.

The Soviet-Israeli talks are seen as one of the steps taken by the Soviet Union in its new Mid-East diplomacy chalked out by Gorbachev.

As another step, the Soviet Union is promoting a meeting of reconciliation between different factions of the Palestinian organizations.

When Algerian President Chadli Bendjedid visited Moscow last April, the Soviet leaders discussed with him the issue of restoring the Palestinian unity. The Algerian president took the initiative to propose convening the reconciliation meeting of different Palestinian groups soon after his Moscow visit.

After a meeting of five Palestinian groups including Fatah, the mainstream of the Palestine Liberation Organization (PLO), the Damascus-based Democratic Front for Liberation of Palestine (DFLP) and the Palestine Communist Party (PCP) met in Tunis in July. Leaders of Fatah, DFLP and the PCP were then invited to Moscow for a meeting in early August.

During the meeting, the Fatah was reportedly resolved to compromise with the Damascus-based organizations on the terms for a reconciliation.

The third step is shown in Lebanon. The newly appointed Soviet ambassador to Lebanon seems active in contacting different factions in Lebanon including Christians. It has also shown keen interest in financing the U.N. interim force in South Lebanon (UNIFIL) and has expressed willingness to send its troops to join the U.N. Peace-Keeping Force after the U.S. threatened to stop its funding and France intended to withdraw from the UNIFIL. This unprecedented step led to the change of the U.S. and French attitudes toward UNIFIL.

It seems that the new Soviet flexibility toward Israel, its closer ties with the PLO and its new move in Lebanon might cause Syria's displeasure. What impact the new Soviet Mid-East diplomacy would have on the situation in this region remains to be seen.

SOVIET FRIENDSHIP DELEGATIONS VISITS HEILONGJIANG

SK160234 Harbin Heilongjiang Provincial Service in Mandarin 0900 GMT 15 Aug 86

[Text] The delegation of the Soviet-Chinese Friendship Association of Khabarovsk Border Area in the Soviet Union paid a visit to Heilongjiang Province. At the invitation of the Sino-Soviet Friendship delegation of the Soviet-Chinese Friendship Association of Khabarovsk Border Area, headed by (Damajiasiwei), vice chairman of the Executive Committee of Khabarovsk Border Area of the Soviet Union, arrived in Harbin on 12 August for a friendly visit to our province.

During its sojourn in Harbin, the delegation visited plants, shops, hospitals, agroscientific academies, and exhibition halls; laid wreaths to the Monument to Soviet Red Army revolutionary martyrs; and toured the city and Songhua Jiang.

Hou Jie, the provincial governor; Gong Benyan, mayor of Harbin City; and Wang Yaochen, chairman of the Sino-Soviet Friendship Association of Heilongjiang Province, respectively received and feted the Soviet guests, and had friendly talks with them. Du Xianzhong and Li Jiating also attended the reception.

The delegation will leave Harbin on the evening of 15 August, and go back to its country via Suifen He on 16 August.

JAPAN EXTENDS GRANTS FOR CHINESE PROJECTS

OW181402 Beijing XINHUA in English 1354 GMT 18 Aug 86

[Text] Beijing, August 18 (XINHUA) -- Japan will extend grants totalling 3.485 billion Japanese yen for two Chinese projects. One grant of over two billion yen will be used for the establishment of a rehabilitation research center for the physically disabled in Beijing, and another grant of 1.465 billion yen for the establishment of water-purification facilities in Changchun City, northeast China. the two projects will be completed in 1988.

Documents concerning the grants were exchanged between assistance Chinese Minister of Foreign Economic Relations and Trade Shen Jueren [as received] and Japanese Ambassador to China Yosuke Nakae here today.

WANG ZHEN MEETS JAPANESE TRADE ADVISER

OW181210 Beijing XINHUA in English 1133 GMT 18 Aug 86

[Text] Beijing, August 18 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met here today Kaheita Okazaki, permanent advisor to the Japan-China Association on Economy and Trade, and his party. Okazaki, who is nearly 90 years old, and his party have visited Shanghai and Xinjiang since their arrival in China on August 10. They will leave here for home tomorrow.

TIANJIN MAYOR RECEIVES JAPANESE DELEGATION

SK190255 Tianjin TIANJIN RIBAO in Chinese 5 Aug 86 p 1

[Excerpts] Li Ruihuan, mayor of Tianjin Municipality, received and feted all members of the visiting delegation from Yokkaichi Harbor, Mie Prefecture in Japan, headed by Prefectural Governor Tagawa Ryoza, at a guesthouse on the evening of 4 August. Guests and host shared cordial and friendly conversation.

Mayor Li Ruihuan expressed thanks to Mie Prefecture for giving assistance to establishing the friendship ties between Yokkaichi City and Tianjin Municipality. [passage omitted]

Li Lanqing, vice mayor of Tianjin Municipality, attended the reception and banquet.

On 4 August, the Japanese guests visited the Tianjin Economic and Technological Development Zone, the Tianjin Harbor, and the carpet plant No 2. They also held talks with relevant departments of the municipality on conducting economic and trade cooperation.

PLA COMMANDER DEPARTS BEIJING FOR NORTH KOREA

OW181200 Beijing XINHUA in English 1157 GMT 18 Aug 86

[Text] Beijing, August 18 (XINHUA) -- Qin Jiwei, alternate member of the Political Bureau of the Chinese Communist Party Central Committee and commander of the Beijing units of the Chinese People's Liberation Army (PLA), left here today on a vacation visit to the Democratic People's Republic of Korea.

XINHUA COMMENTS ON SRV-LAOS-PRK COMMUNIQUE

OW181820 Beijing XINHUA in English 1800 GMT 18 Aug 86

["Vietnam Persists in Its Position on Kampuchea" -- XINHUA headline]

[Text] Hanoi, August 18 (XINHUA) -- A communique issued today at the end of the 13th foreign ministerial meeting of Laos, Vietnam and the Heng Samrin regime in Kampuchea shows that Hanoi still holds on to its policy of military occupation in Kampuchea.

With the Kampuchean problem as the top issue, the meeting was held here on August 17 and 18.

While preaching on the political solution of the Kampuchean problem, the communique again rejected the eight-point proposal extended by the Coalition Government of Democratic Kampuchea (CGDK).

The CGDK proposal, which was put forward on March 17, calls for a two-phase military pullout by Vietnam from Kampuchea over a period of time and the formation of a four-party coalition government, including the Hanoi-installed Heng Samrin regime, after the first phase of the Vietnamese troop withdrawal.

The communique described the eight-point proposal as "unrealistic" and "unacceptable," saying that Vietnam will not withdraw completely from Kampuchea before 1990.

The communique claimed that the Kampuchean problem should be solved through negotiations between Thailand, Vietnam and the Hanoi-backed Phnom Penh regime.

RENMIN RIBAO REBUTS HENG SAMRIN ATTACK ON PRC

HK180955 Beijing RENMIN RIBAO in Chinese 17 Aug 86 p 6

["Jottings" by Rong Jiu: "The Worlds of a Lackey"]

[Text] Issue No 11 of the Soviet journal KOMMUNIST, which came off the press on 6 August, carries an article by Heng Samrin, chairman of the Council of State of the Phnom Penh regime. While attacking China by name the article alleges that since 7 January 1979 when Vietnam invaded Cambodia, Cambodia has entered a "new era" of "independence" and "real freedom." A puppet that has been propped up entirely by an invader from outside should not talk about the "independence" and "real freedom" of his country. This has indeed made people wonder whether he is shameless or muddleheaded.

Does the fact that the land of Cambodia is trampled on by 180,000 Vietnamese aggressive soldiers mean a "new era" of "independence?" Does the "real freedom" that Heng Samrin speaks highly of mean that over 50,000 Vietnamese "advisers" control the organizations at all levels in the Phnom Penh regime and that even Heng Samrin himself must always obey the orders from the Vietnamese authorities? These are indeed the words of a lackey. In order to curry favor from his master, Heng Samrin obstinately stands facts on their head at the cost of being regarded as shameless by other people. Is it worth it?

In fact, it is impossible that Heng Samrin does not know the real predicament in which Cambodia and he are now. It is necessary to point out that he has an immediate way out if he does not want to remain a traitor to Cambodia's independence and freedom. This is to accept the 8-point peace proposal of the Coalition Government of Democratic Kampuchea. Unless he does this, there can be no "independence" or "real freedom" whatsoever for Cambodia. No matter what extravagant account he gives, it is but a lie to cheat other people and himself.

NPC CHAIRMAN PENG ZHEN GREETES THAI COUNTERPART

BK151334 Beijing International Service in Thai 1330 GMT 14 Aug 86

[Text] On 13 August Peng Zhen, chairman of the NPC Standing Committee, sent a telegram to Dr Ukrit Mongkhonnawin and Chuan Likphai, profoundly congratulating them on their assignments as president and vice president of the Thai National Assembly. The telegram says:

Bangkok,

The National Assembly of the Kingdom of Thailand.

Your Excellency Ukrit Mongkhonnawin, president of parliament,

Your Excellency Chuan Likphai, vice president of parliament:

We are glad to learn that you have been assigned the presidency and vice presidency of the National Assembly of the Kingdom of Thailand. On behalf of the NPC Standing Committee and the Chinese people as well as for myself, I would like to express my profound congratulations to you and the hope that the friendly relations between the NPC and the National Assembly of the Kingdom of Thailand as well as the longstanding friendship between the peoples of China and Thailand be further developed. May the Kingdom of Thailand be prosperous and its people be happy!

PRC, GDR TO AGREE TO REESTABLISH RELATIONS

HK181137 Hong Kong AFP in English 1131 GMT 18 Aug 86

[By Pierre-Antoine Donnet]

[Text] Beijing, Aug 18 (AFP) -- The Chinese and East German Communist Parties are to re-establish relations, or at least agree to do so, when the East German president visits Beijing in October, authoritative East European sources said here Monday.

The sources also said that during his visit Erich Honecker would meet China's President Li Xiannian and Chinese Communist Party General Secretary Hu Yaobang.

The re-establishment of party-to-party ties had been accepted by the Soviet Union, which appreciated that new official links between the Soviet and Chinese parties would take longer to forget and had approved the resumption of relations between the Chinese and other East European parties, the sources said.

All East European communist parties, with the exception of Romania's and Yugoslavia's, broke off relations with their Chinese counterpart after Moscow and Beijing fell out for ideological and strategic reasons in 1960.

China has several times this year indicated that it is ready to re-establish party relations with East European countries, excluding the Soviet Union.

The East European sources said the principle of renewing links between the Chinese and East German parties had been discussed when East German Culture Minister Margot Honecker, Mr. Honecker's wife, visited China recently.

They also said that the secretaries of the Hungarian and Polish Communist Parties, Janos Kadar and Wojciech Jaruzelski, should be visiting China this year or next with a view to re-establishing party relations.

A thaw in Sino-Soviet relations that began in 1982 has been accompanied by warmer relations between China and East European countries, borne out by an increase in the last three years in the number of visits by Chinese and East German senior officials to each other's countries.

Mr. Li and Mr. Hu have indicated to visiting East German officials that Beijing is ready to forge new ties with East European communist parties.

China has often said it has no political or strategic quarrel with East European Countries other than the Soviet Union.

Beijing says there are three obstacles to the normalisation of relations with Moscow, including the renewal of links between the Chinese and Soviet Communist Parties.

They are Moscow's support for the Vietnamese military presence in Cambodia, Soviet military intervention in Afghanistan, and the strength of Soviet forces on China's borders.

The East European sources said Mr. Honecker would take the opportunity afforded by his trip to China to visit Mongolia and North Korea.

CHEN MUHUA ARRIVES IN ZAMBIA FOR 5-DAY VISIT

Meets Zambian President

OW151124 Beijing XINHUA in English 1043 GMT 15 Aug 86

[Text] Lusaka, August 14 (XINHUA) -- Zambian President Kenneth Kaunda today described as close and warm the relationship between Zambia and China, when he received visiting Chinese State Councillor Chen Muhua at Mfuwe, eastern province. Kaunda, who is on working holiday at Mfuwe, thanked China for its assistance in various fields, saying that "in our dark days, China helped us to build the Tanzania-Zambia railway (Tazara). China is an all-weather friend of Zambia."

Chen arrived in Zambia Tuesday for a five-day visit, during which she will attend celebrations of the 10th anniversary of the Tazara.

On behalf of the Chinese Communist Party and government, Chen handed over to him a check of two million kwacha (about 370,000 U.S. dollars) as a donation to help build a new headquarters for the country's ruling party. Chen conveyed to Kaunda best wishes and warm greetings from Chinese leaders Hu Yaobang, Deng Xiaoping, Li Xiannian and Zhao Ziyang.

Attends Lusaka Banquet

OW161128 Beijing XINHUA in English 0940 GMT 16 Aug 86

[Text] Lusaka, August 15 (XINHUA) -- Zambian President Kenneth Kaunda praised the China-aided Tanzania-Zambia Railway (Tazara) as "a monument to our friendship and solidarity with the People's Republic of China." He made the remarks at a state dinner here this evening to mark the tenth anniversary of the Tazara.

Tanzanian President H. Mwinyi and visiting Chinese State Councillor Chen Muhua attended the dinner.

Kaunda said that the construction of the railway, "The Great Uhuru Railway", fully demonstrated the depth and sincerity of the cooperation between China and the countries in this region. "This railway line which proved so vital in securing our independence from threats of the illegal regime in Rhodesia, is once again emerging as one major source of strength and hope in facing threats of action against us by the apartheid regime in South Africa," he said.

Now the Tazara is available not only to Tanzania and Zambia but also to other eastern and southern African countries, he said.

He pointed out that the Zambian people will forever be indebted to China for its financial, material and moral support.

At Tazara Railway Anniversary

OW171422 Beijing XINHUA in English 1401 GMT 17 Aug 86

[Text] Kapiri Mposhi, Zambia, August 17 (XINHUA) -- A grand ceremony was held Saturday at Kapiri Mposhi, central Zambia, to celebrate the 10-year successful operation of the China-aided Tanzania-Zambia Railway (Tazara).

Speaking at the ceremony, Zambian President Kenneth Kaunda, Tanzanian President Ali Hassan Mwinyi and visiting Chinese State Councillor Chen Muhua joined in highlighting the significance of the successful operation of the 1,860-kilometer railway.

Kaunda called on his people to protect the railway from South Africa's threat to attack its vital installation and infrastructure. "Even with that dark cloud hanging over us, it is important to remind ourselves that the Tazara has the designed capacity of 2.5 million tons of freight per year and adequate capacity for passenger services," he said.

Mwinyi said that the Tazara, known here as the "Great Uhuru" (freedom) Railway, has played an important role not only in the economy of Tanzania and Zambia but also in the economy of the region. It is more so at the time when international economic sanction against South Africa is gaining momentum, he added.

In retaliation against Zambia and Zimbabwe, which called for sanctions against South Africa in the commonwealth mini-summit early this month, the Pretoria white regime has recently delayed traffic on its borders with the two countries and levied deposits on goods from and to them.

Praising China's role in the construction of the railway, he noted that China's assistance has proved that South-South cooperation is both possible and beneficial.

Chen Muhua pointed out that facts have once again proved that the three developing countries have the ability not only to build the railway but to manage it well. "It is our firm conviction that with more experience, the management of the Tazara will reach a higher level, and the railway will make still greater contribution to the development of Zambia and Tanzania and other parts of southern Africa," she said.

She unveiled a monument marking the 10th anniversary of the Tazara. Then the two presidents and the Chinese state councillor went on board a special train for a trip to Luanshimba station.

Chen Muhua left here for Nairobi this evening at the end of a five-day visit. During her stay in Zambia, Chen met with President Kaunda and held talks with Prime Minister K. Musokotwane and Secretary of State for Defense and Security A.K. Shapi.

Leaves Zambia, On to Kenya

OW190245 Beijing XINHUA Domestic Service in Chinese 1401 GMT 17 Aug 86

[Text] Lusaka, 16 Aug (XINHUA) -- Chinese State Councillor Chen Muhua left Lusaka for Kenya's capital Nairobi tonight after she concluded her 5-day visit to Zambia. Seeing Chen Muhua and her entourage off at the airport were Zambia's Secretary of State for Defense and Security Alex Shapi and Chinese Ambassador to Zambia Gu Jiaji.

During her visit, Chen Muhua participated in the activities held at Kapiri Mposhi, where the Tanzania-Zambia Railway terminates, marking the 10th anniversary of the successful operation of the railway. She also called on Zambian President Kaunda, and held talks with Zambian Prime Minister Musokotwane and Secretary of State for Defense and Security Alex Shapi.

Chen Muhua and her entourage also visited the construction site of the new headquarters of the Zambian ruling party, where Chinese experts and local construction workers are working together.

RENMIN RIBAO ON SOUTH AFRICA'S 'NEW PROVOCATIONS'

HK161630 Beijing RENMIN RIBAO in Chinese 15 Aug 86 p 6

["Short Commentary": "New Provocations of South Africa"]

[Text] Recently, the South African authorities have repeatedly conducted economic blackmail against Zambia, Zimbabwe, and other southern African countries, levied high taxes on Zambian and Zimbabwean goods in transit, and threatened to impose an economic blockade on these countries. Meanwhile, it dispatched special agents to sabotage transport routes and oil pipelines in both Zambia and Tanzania, and repeatedly invaded Angola. The new provocations of the South African authorities have aroused strong indignation of the African people and evoked close attention of the international community.

Since Botha declared emergency law in South Africa in June, the voice calling for international sanctions against South Africa has been rising. In this situation, the Pretoria regime has not slightly restrained its arrogance, but has attacked and blackmailed its neighbors more fiercely. This once again shows its tenacious adherence to apartheid and its serious defiance of the international community.

For historical and geological reasons, southern African countries have had many economic ties with South Africa. In particular, some inland countries must use South Africa as a passage to the sea for their exports and imports. By capitalizing on this, the Botha regime, while threatening these countries militarily, has blackmailed them politically and economically and put economic pressure on them in an attempt to force them to give up their struggle against racism.

What merits people's attention is that the new provocations of the South African white regime against southern African countries came just before the eighth nonaligned country summit to be held in Harare. This move is not only a threat to African countries, but also a blatant challenge to the Nonaligned Movement.

However, southern African countries that have been enslaved by the racist regime will never flinch from the blackmail of South Africa. The leaders of some frontline countries have declared that their countries will not give up the struggle against racism and will launch effective counterattacks against South Africa and protect themselves in the economic war. The Tanzanian Government has also declared its willingness to provide its ports as sea outlets for the threatened inland countries. The Angolan people are fighting resolutely against South African invasion. Third World countries and the international community have expressed support for and given assistance to southern African countries in their struggle against racism.

The outrages of the South African authorities have not only been condemned by people all over the world, but have also been opposed by more and more whites at home. The Botha regime has been thrown into unprecedented isolation. The decadent and reactionary apartheid system is doomed to failure, and the perverse acts of the South African authorities will only hasten the failure.

BEIJING RESPONDS TO HONG KONG NUCLEAR PROTESTORS

HK190131 Hong Kong SOUTH CHINA MORNING POST in English 19 Aug 86 p 1

[By Albert Chan]

[Text] Beijing yesterday made its first official comment on the growing Hong Kong opposition to the Daya Bay project, insisting that China has been listening to public opinion.

But a senior official at the Hong Kong and Macao Affairs Office, the policy department within the State Council in charge of the two territories, added that listening to Hong Kong opinion did not mean China had to shelve or scrap the project.

Mr Rong Kang, one of the department heads of the office, hit back at Hong Kong critics who accused Beijing leaders of turning a deaf ear to local feelings which had been overwhelmingly against Daya Bay.

His views were made in the form of a prepared statement delivered to lobbyists of the Joint Conference for the Shelving of the Daya Bay Nuclear Plant.

The 12-man delegation, armed with one million signatures collected in a recent campaign, met representatives from the Nuclear Industry Ministry and the Hong Kong and Macao Affairs Office.

Mr Rong's written statement said: "There are people who think only by scrapping or shelving the plant could China show its respect for the public opinion of Hong Kong.

"We think this argument is inadequate.

"There is no conflict between Beijing and the people of Hong Kong over the safety issue. By taking the safety issue seriously and by finding methods to solve safety problems, China is in fact paying respect to public opinion," he said.

"On the Daya Bay issue, China's attitude is to listen patiently to various kinds of arguments from the Hong Kong public and experts and then accept those which are reasonable and scientific.

"We will try to explain to those who voice views which are not reasonable or scientific.

"If this way of handling (the Daya Bay issue) is considered ignoring public opinion, such an accusation is without reason," said Mr Rong.

A top nuclear official who met the Hong Kong delegation yesterday said that there was no need for Hong Kong to draw up evacuation plans even for the worst disaster.

Mr Ma Fubang, director of the Nuclear Bureau of the Nuclear Industry Ministry, said his view was based on international experience.

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He added that China's independent Nuclear Safety Administration would not issue an operating licence to the Daya Bay nuclear power plant if it was not satisfied with the safety assessment reports.

SUFFICIENT RADIOACTIVE WASTE STORAGE AVAILABLE

HK190033 Beijing CHINA DAILY in English 19 Aug 86 p 1

[By Staff Reporter Xu Yuanchao]

[Text] China has the capability to store radioactive wastes and to dispose of spent fuel from such domestic nuclear plants as those in Daya Bay and Qinshan, CHINA DAILY has been told.

Jiang Shengjie, Director of the National Nuclear Safety Administration, said that the Daya Bay nuclear power plant in Guangdong Province will have workshops to treat nuclear waste. Contaminated items, such as shoes, gloves, and workclothes, will be burned and then put into tanks with solidified waste.

High-radiation waste will be moved to a place designated by the government and stored 1,000 metres below ground for at least 1,000 years.

Low-radiation waste will probably be stored near the plant for further treatment, he said.

A preliminary safety report will be submitted by the plant to nuclear safety authorities and, once the report is approved, a license will be given for construction to begin at Daya Bay, Jiang added.

Emphasizing the safety of nuclear energy Jiang said that nuclear facilities have been built near big cities in many industrialized countries. "There has also been a nuclear reactor operating with in 50 kilometres of Beijing for 28 years, but no accidents have ever occurred," he said.

In the meantime, well-informed sources confirmed that contracts for key equipment to be supplied by foreign contractors will be signed next month as scheduled.

The three contracts for the plant involve two 900-megawatt reactors to be provided by the French company Frammatome, conventional equipment and turbine generators to be imported from the General Electric Company of Britain, and engineering services to be provided by Electricite de France, the sources said.

The Daya Bay plant, about 50 kilometres from Hong Kong, is a joint venture between China and a Hong Kong company. It is scheduled for completion in 1991, and 75 per cent of the electricity it generates will be supplied to Hong Kong.

According to Chinese officials, a training centre will be set up nearby and some technical personnel will be sent to France for training.

Located on the northern shore of Hangzhou Bay, the Qinshan Nuclear Power Plant is 126 kilometres southwest of Shanghai, China's largest industrial city.

PLA NAVY UNITS DISCUSS SOLDIER'S OBLIGATION

OW190239 Beijing Domestic Service in Mandarin 2130 GMT 18 Aug 86

[Text] Some cadres and fighters entertain the idea that it does not pay to be a soldier. Therefore, a certain minesweeping group and five other basic-level units of the PLA Navy have launched discussions about gains and losses in order to educate cadres and fighters on correctly handling relations between personal interests and the interests of the revolution and on fostering the Communist Party member's concept of gains and losses.

The idea that it does not pay to be a soldier has been expressed in different ways in these units. Some say that the state has long since shifted its focus on economic construction and soldiers are no longer popular; others say that, economically, being a soldier is worse than being a specialized household.

Leaders of these units have organized cadres and fighters to discuss these problems and let the masses educate themselves. In the course of discussion, these leaders, keeping in mind the current thinking of cadres and fighters, have studied whether it is feasible to evaluate gains and losses according to the principle of exchange of equal values. They feel that exchange of equal values is a principle in the field of commodity circulation and should not be applied to the concept of give and take. Communist Party members and revolutionary fighters should have much higher requirements in contemplating give and take. Making contributions is our lofty duty and obligation.

Fighter Sun Bangxin said: Soldiers must not have ulterior motives when making contributions. We must defend our motherland without demanding anything in return.

Zhou Qibiao, political instructor of a certain regiment, said: When I saw the people in my hometown all becoming rich, I thought that I had to take off my uniform to become rich. After joining this discussion, I realize that revolutionary soldiers should have the understanding and vision of becoming rich after all the people of the country have become rich. In order for the people to become rich, we must not choose to take off our uniforms.

Discussions about gains and losses have now attracted the attention of leading cadres at all levels throughout the Army. Yu Qiuli, director of the PLA General Political Department, has a very high appraisal of these discussions. He said: This is concrete action in building a socialist spiritual civilization and ideally conducting education in party spirit. He urged all PLA units to unfold intensive discussions about gains and losses so as to foster a correct view.

UNIVERSITY REFORMS TEACHING OF POLITICAL THEORY

OW182117 Beijing XINHUA Domestic Service in Chinese 2258 GMT 16 Aug 86

[By reporter Liu Linchun]

[Text] Beijing 17 Aug (XINHUA) -- A popular saying goes: "Students are as afraid of examinations as farmers are of weeds." But this reporter recently heard of students not being afraid of examinations at the China People's University.

During the last school term, two freshmen classes from the China People's University Department of Journalism took an examination on the principles of Marxist philosophy. The examination contained four questions only, and the students were allowed to use text and reference books. One of the questions was: "As far as individual skills are concerned, players on the world all-star women's volleyball team are better than their counterparts on the Chinese women's volleyball team. Why then did the former lose twice to the latter? What is the philosophical theory involved?" After the examination, examinees continued to talk about it, saying questions of this nature and the way of conducting the examination were very good. Associate Professor Wang Yu who presided over the examination said: "Many of these students were not interested in studying philosophy at the beginning, and some of them were just interested in getting the credit. But, judging by this examination, they have not only heightened their interest, but also have gained much in their study."

Of course, what prompted students who were just interested in getting credit to become interested in what they were studying was not just the change in the examination method. During a certain period of time in the past, some of the political theory teaching materials and the method of teaching the subject were more or less divorced from our socialist modernization efforts and the students' actual way of thinking. The situation needed to be improved urgently. From its teaching experience, the China People's University learned that the vigor of the education in Marxist theory comes from closely integrating Marxist theory with the actual situation. We should not only link Marxist theory to our modernization efforts, but also to current trends in world developments and the change in the way of thinking young people and students. After making proper arrangements, the China People's University began to reform its teaching of political theory on trial basis. Beginning last school term, the university began to give, using new teaching guidelines, lectures on five subjects on Marxist theory, namely, the principles of Marxist theory; socialist economic theory and practice; the revolutionary history of China; issues on China's socialist development; and world politics, economy, and international relations; to 500 students in eight classrooms. In giving lectures on the principles of Marxist theory on a trial basis in the department of journalism, every effort was made to reduce duplication in the contents of these lectures with what was learned in high school philosophy classes and what was taught in other theoretical subjects. In lecturing students, teachers paid attention to systematically explaining the basic principles of Marxism while pointedly dealing with theoretical and practical issues that need to be solved in our time. In addition, they frequently gave special reports on the development of modern sciences and on different schools of thought in Western philosophy. Regarding teaching methods, the university adopted a combination of lectures by teachers and self-study and discussion by the students. Such teaching materials and methods were widely welcomed by the students.

The new program for the socialist economic theories and practice courses shows a drastic change from traditional political economy teaching materials. It deals with socialist economic relations as a major subject and makes macro- and micro-analyses and discussions from various angles. The course lectures explain not only the fundamental principles but also the characteristics of the operations and management of the socialist economy. They elaborate not only on the bright future of the development of socialism, but also on the reality and prospects of the socialist economy. And they not only deal with China's economic structural reform and the work of building socialism with Chinese characteristics, but also compare China's economic system with those of other socialist countries and discuss the different forms of the socialist economic systems. Last semester this course was taught on a trial basis to some students of philosophy, law, and six other departments.

The students showed great interest in this course and felt that it was rich in content and full of vivid details. They came to understand a number of questions that they had been concerned about but had been unable to answer, for example, why economic structural reform was needed and why it was necessary to put the planned commodity economy into practice. What is more, after taking the course for one semester, some literature and history majors wanted to switch to specializing in Marxist economic theories. Commenting on this, the teachers for this course said: The course has been well received by the students not because of its high theoretical level, but because it has integrated theories with practice in an attempt to bring the Marxist economic theories back from the ethereal to the human plan. [passage indistinct]

DEMOCRACY, LIBERTY, HUMAN RIGHTS NOT BOURGEOIS

HK181019 Beijing GONGREN RIBAO in Chinese 11 Aug 86 p 4

[Article by Zhou Mianwei: "The Right To Use the Slogans of Democracy, Liberty, and Human Rights Does Not Belong Only to the Bourgeoisie"]

[Text] Over the past few years, the slogans of "democracy, liberty, and human rights" have given rise to much controversy on the China mainland. In the minds of a large number of people, whoever talks much about democracy, liberty, and human rights is suspected of being divorced from the party leadership and socialist path and of seeking bourgeois liberalism.

Indeed, it was bourgeois thinkers and statesmen who first raised the slogans of "democracy, liberty, and human rights." In the early stage of capitalist development, the raising of these slogans was determined by the capitalist relations of production and was an inevitable outcome of the development of the commodity economy. The feudal autocratic system, which was based on small-production natural economy, had seriously obstructed the vigorous development of the newly emerging bourgeoisie. In an effort to develop commodity production, the bourgeoisie needed a large number of wage laborers. However, the feudal relationship of personal attachment had bound people hand and foot; the rigidly stratified feudal hereditary system had seriously infringed upon the rights and interests of the bourgeoisie to exchange commodities on the basis of equality. Thereupon, the representative figures of the bourgeoisie raised the slogans of "democracy, liberty, and human rights," which served as revolt against backward feudal ideology.

History has been forging ahead and each era has left its growth ring and created the fruit of civilization of which it is proud. Through settlement and transmission these fruits have become the spiritual and cultural wealth of mankind. Most people have realized that it is necessary to carry forward the excellent achievements in science, technology, ethics, and morality. However, people often have serious misgivings on such issues as how we should deal with the political slogans raised by the bourgeoisie and whether there is something in its political system of which we can make use. In my view, bourgeois political slogans and systems also include the fruit of civilization and have something future generations can make use of and absorb. Democracy, liberty, and human rights are one of the results of the struggle against feudalism. For example, the bourgeois democratic system has been raised to counter the feudal autocratic system. It has broken the narrow bounds of ancient democracy (city-states' collective consciousness). Moreover, various institutions, such as parliamentarism, universal suffrage, and division of power, contained in the democratic system have developed into a set of well-knit and complete organizational structures, which coordinate with and contain one another. [paragraph continues]

It contains a scientific and rational element of social organization. Whether we admit it nor not, the many democratic institutions of our republic, such as universal suffrage and the Constitution, are the outstanding outcome of what we have learned and absorbed from our predecessors. As another example, the slogan of liberty is what progressive mankind is seeking. When expounding the essence of communist society, Marx and Engels believed that when the time came, everybody could freely develop in an all-round way. In the "Communist Manifesto," they made a famous remark: "The free development of each is the condition for the free development of all." China's Constitution also clearly stipulates: Citizens enjoy freedom of speech, of the press, of assembly, of association, of procession, and of demonstration, and these freedoms are materially and legally guaranteed. Although Marx and Engels exposed the class nature of the slogan of human rights, they also held that it could be use in a certain period as a means of mobilizing and uniting the masses. In the great "7 February" strike during the great revolution in China and in the "'1 August' Declaration" put forth during the War of the Resistance Against Japan, the CPC also put forward various slogans, such as "for liberty and human rights" and "fight for human rights and liberty." In my view, therefore, we must make a concrete analysis of the political slogans of the bourgeoisie and should not oppose whatever the bourgeoisie advocates. Of course, all political slogans are characteristics of certain classes and are in their service. However, as long as these slogans (such as democracy, liberty, and human rights) reflect the just rights and demands of the people (although the ruling class must grant them under the pressure of the people's struggle), mirror the requirements of the advanced productive forces, or reflect the scientific and rational demands of social organizations, they are the outcome of civilization. Then we must discard the dross and select the essential, eliminate the false and retain the true, and absorb what we need in the same way as we treat other cultural heritage of the bourgeoisie.

Naturally, all political concepts and slogans are the outcome of a certain historical stage and reflect the interests of certain classes or groups. The concepts and slogans we are using now, such as democracy, liberty, and human rights, are fundamentally different in nature, connotation, and applicability and in the status of political life from those put forward in the past. We now raise the slogans of democracy, liberty, human rights, and humanitarianism and give them a certain status because this is the need of the four modernizations program and the development of the reform. We oppose both the decadent bourgeois ideology and the feudal ideology. For now, the historic task of opposing surviving feudal influences are even more arduous. In practical life these feudal influences are to be seen in a lingering clan mentality and hierarchy in social relations, in certain instances of assumed inequality of status in the relations between leading comrades and their subordinates and among cadres, in a weak sense of the rights and duties of citizens, in the barriers between departments or regions in economic work in the practice of taking advantage of one's power and position to further one's personal interests or to engage in business activities, in the autocratic style of chauvinism in foreign relations, in the patriarchal ways and the practice of nepotism among the ranks of cadres, and in some defects of the leadership system. They have seriously obstructed the development of the socialist commodity economy. For this reason, Comrade Deng Xiaoping pointed out in 1980: "Now it is essential to state clearly that we must continue to labor at the task of eliminating the surviving feudal influences in the ideological and political fields and that we must carry out a series of effective reforms in our institutions. Otherwise, our country and people will suffer further losses."

When further implementing the policy of opening up to the outside world, China must more flexibly assimilate the good things created by the people of other countries, including the good things in the past. China must adopt more terms that are commonly used in the world, and not use "revolutionary" terms in everything, which deter other people from being on intimate terms with us. I think democracy, liberty, human rights, humanitarianism, and so on are exactly the excellent terms commonly used in the world.

'LAND USE FEES' ARRANGED ON SLIDING SCALE

HK180512 Hong Kong HONGKONG STANDARD in English 18 Aug 86 Business Standard p 1

[By Yau Shing-mu]

[Text] Beijing has reduced land prices following complaints from foreign investors that the prices were high.

The local government has also set different prices for land depending on its use, a departure from the present practice of charging in flat fee for land in the town centre.

Under the sliding scale of fees introduced, the highest price will be for hotels, followed by those for commercial buildings, residential apartments, factories, recreational establishments and research institutions. The lowest fee will be for educational colleges.

Though the Chinese Government does not lease land, "land use fees" are charged instead.

The State Council gives discretion to local authorities to have its pricing scale on land use for different categories if the annual rates fall in the range between five to 300 renminbi (equivalent to HK\$11 to \$600) per square metre.

The price range has been criticised as too wide because many investors complain the prices are much higher than what they have expected from China. The prices are usually set close to the maximum end in municipalities, like Beijing and Shanghai.

Consequently, office rents have become expensive averaging between U.S. \$360-600 per square metre a year.

Unfurnished office space in Beijing costs \$360 per square metre a year, \$270 in Shanghai and varies between \$360-\$480 in Guangzhou. Some projected rentals in Tianjin will be boosted up to \$600 per square metre a year.

The rent level is comparable to or even exceeding other international cities.

According to a survey by Richard Ellis in London, Hong Kong's average net rental, which it ranks the sixth in the world, stands at \$431 per square metre a year.

For other cities such as Singapore and Sydney, the occupation cost is respectively \$237 and \$338.

That runs contrary to China's efforts in promoting the low cost of production as a favourable condition for investment.

Moreover, no matter whether the land is for building a hotel or setting up a school, the same amount of the fee has to pay. [sentence as published]

An official of the Institute of International Law at the Foreign Affairs College recently told a group of Hong Kong people at Macao's University of East Asia that the Beijing Municipal Government has promulgated a new regulation to redress the situation.

The institute's deputy director, Yao Zhuang, said in the past Beijing charged a uniform rate of 300 renminbi per square metre annually for land in the town centre. The area covers well known spots as Zhang An thoroughfare, Dong Dan, Xi Dan, and Wang Fu Jing.

The new prices are: 120 to 150 renminbi for hotels; 70 to 80 renminbi for commercial purpose; 45 to 60 renminbi for residential use; 30 to 50 renminbi for factories; 20 to 30 renminbi for recreational setups; 15 to 20 renminbi for scientific research; and six to 10 renminbi for universities and colleges.

RENMIN RIBAO ON EMPLOYMENT, LABOR REFORM

HK140543 Beijing RENMIN RIBAO in Chinese 11 Aug 86 p 5

[Article by Lian Gen: "Optimum Employment and Reform of China's Labor System"]

[Text] Optimum Employment Should Be Allowed During the Socialist Period

Theoretically, the labor system mainly refers to the mode and way in which laborers and the means of production combine. It is determined by particular economic conditions.

Under the circumstances of public ownership of the means of production, the means of production are owned by the whole people. Taking the labor system into consideration, this means that every laborer is equal in terms of selecting their jobs. However, does this mean that any laborer can be employed at any post? No, this does not. This is because China's production rules at the present stage are marked by its multi-level structure: there is automatic, semi-automatic, mechanized and semi-mechanized equipment for production; as well as numerous simple, small and crude hand tools. The quality of laborers on such things as educational background, skills and proficiency is also different. Under these circumstances, each laborer can only be combined with different types of means of production. In order to put an end to this situation, we must greatly improve economic development, as well as scientific and technological standards, which is impossible in China with her present production level. At the same time, because of differences between mental labor and physical labor, as well as between simple labor and complicated labor, the equality of people in selecting a job can only be a relative one. Every laborer can only choose his job in connection with his labor capability.

We should also realize that in a socialist society, there are manifold relations concerning economic interests. On the one hand, enterprises owned by the whole people are producers of socialist commodities, and enjoy their independent economic interests. But if enterprises "ate from the same big pot" of the state, the state administrative organs might assign to them laborers who fail to meet the enterprises' requirements. If the enterprises were forced to offer them jobs, they would no longer accept the centralized system of labor distribution but select laborers according to their needs, when they become the producers of socialist commodities. This is because they would independently run their operation and be responsible for their profits and losses. On the other hand, socialist labor comes with rewards. A laborer's employment at a certain post also involves his personal economic interests. Laborers always want the conditions of a job to be consistent with their skills and interests, so that they can exercise their capabilities, make the greatest contribution, and get the corresponding rewards. Therefore, laborers also asked for their right to select jobs. Thus we can see that during the socialist period, only when there is mutual selection between employers and laborers, as well as a rational circulation of the labor force, can we achieve the best combination between laborers and the means of production.

Optimum Employment Is a Reform of the Labor System

After liberation, China gradually formed the labor system of centralized distribution and the "iron rice bowl" system. This system played a positive role in finding jobs for laborers and stabilizing the social order. But the system denies laborers the right of selection, as well as enterprises the right of selecting their staff. Instead, the state administrative organs were responsible for assigning jobs to laborers in a centralized way. Thus, some laborers could not utilize their skills or their talents. Enterprises were unable to fire laborers who failed to meet their production and work requirements. This system must be reformed.

First, we should reform the recruitment system. Employers should recruit staff from society in an open way. On the basis of volunteerism, laborers may then register themselves according to their interests and skills, so that the employers can select the best candidate by comprehensively assessing the laborers' ethics, intelligence and physical strength.

Second, we should allow acts of dismissal and resignation. In the wake of the development of the technological revolution and socialist economy, outdated jobs are gradually eliminated while many new ones have been developed. Laborers also face changes in the quantitative and qualitative requirements for their jobs. There are numerous cases in which laborers are not correctly chosen for a job, or they cannot apply what they have studied. Because of the above-mentioned reason, we must allow the laborers to circulate appropriately. Upon discovering that his skill cannot be used in a position, a laborer may resign. Likewise, an employer may fire laborer whose qualifications fail to meet the employer's requirements for a particular job. This will bring advantages to both the state and the laborer himself. But we must not think of this in terms of absolutes.

Third, we should implement the labor contract system. The mutual selection between laborers and units owned by the whole people, job commitments, job termination and other kinds of treatment directly involved the economic interests of the state, enterprises and individuals. In order to coordinate the relations of these kind of interests, the parties concerned must negotiate among themselves, sign labor contracts, spell out the rights and duties of laborer and employer, as well as handle and readjust various labor relations.

Will this practice bring about "wage employment relations" between employers and laborers, which will then undermine the laborers' status of "being the master of their own affairs"? The answer is negative. This is because our labor contract system is essentially different from wage labor. In capitalism, the labor contract is a manifestation of capitalist relations. What it reflects is the relations in which capitalist exploit wage laborers. What the socialist labor contract reflects is the economic relations among the state, enterprises and laborers. The labor contract does not undermine the laborer's status of being the master of his own affairs. On the contrary, it helps consolidate and strengthen the laborer's status. The signing of a labor contract can effectively protect the laborers from any act of retaliation, as well as can safeguard their proper rights. Proceeding from another point of view, we should fire those people who act like a dog in the manger, are incompetent, and bring minimal or even negative labor results. Through this kind of job termination, these people will be able to perform well at posts which they like and are competent in. This does not undermine their status of being the master of their own affairs.

Will reform of the fixed-labor system deprive the laborers of their job security? The answer is also negative. To think of job security in terms of absolutes is just a weak point of the fixed-labor system. The implementation of the labor contract does not mean that the laborers' jobs are not secured. This kind of security should be the result of laborer's hard study and hard work. Some people said that the fixed-labor system was favorable to laborers in terms of mastering skills. But fact have shown that it is because in the fixed-labor system, there is an "iron rice bowl," that some people do not strive for progress. On the contrary, the labor contract system opens wide the door for laborers to study hard, improve their professional skills, and thus enable them to find their ideal posts.

Some comrades advocated that enterprises should recruit staff with diversified methods which would include both the labor contract and fixed-labor systems. Such as proposal has mixed up the labor contract system with the pattern of recruitment. In the labor contract system, employers are requested to sign contracts with laborers on various terms including permanent jobs, shift duties, temporary work and seasonal work. The prime feature of socialist labor relations is that a laborer can make a job commitment or terminate employment at any time; it does not mean an employer cannot fire a laborer. The reasonable practice should be like this: when a contract laborer performs his duty well and an enterprise needs him, the enterprise may hire him at a certain unit until retirement. Also, the enterprise may fire any fixed-labor worker who is incompetent. The fixed-labor employment should also be changed. Under these circumstances, those newly-recruited workers should no longer be employed in the form of fixed labor.

In order to implement the labor contract system, we must gradually establish the corresponding wage, welfare, insurance and labor management systems.

We must implement the principle of distribution according to work. In this labor system, optimum employment, job commitment and termination are consistent with the principle of distribution according to work. In connection with the requirements of this principle, a laborer's rewards are determined by his contributions. We should therefore allow laborers to select their jobs. On the other hand, optimum employment practices, job commitment and termination require an enterprise to really follow the principle of distribution according to work. [paragraph continues]

We should give the highest wages to laborers who are at the most suitable age and who make the greatest contributions. If we do not adopt this practice, a unit will not recruit a laborer who makes a small contribution but asks for high wages. Acts of increasing a laborer's wages according to his age rather than his contributions will also obstruct the rational circulation of labor force.

We must reform the workers' welfare system. Both the fixed-labor workers and contracted workers of a unit should be treated equally when they use such welfare facilities as the canteen, bathrooms, clinic, nursery, kindergarten and recreational facilities. But the major problem is about workers' housing. The price of a two-room apartment should be worth 50 to 60 yuan per month if it is offered for rent. But workers now actually pay rent of several yuan a month. Therefore, many units are not willing to distribute flats to contracted workers. But the policy of charging a low rent to fixed-labor workers is also unfavorable to their circulation. Some units check their circulation by recalling their flats. The solution to this problem is to treat the flats as commodities. We should charge them rents according to the flat's real price, while increasing their wages.

The labor insurance system should also be correspondingly reformed. A unit should shoulder the responsibility of having its laborers insured, in addition to paying them wages by observing the principle of distribution according to work. Both the fixed-labor workers and contracted workers should be treated equally in terms of medical allowances, sick leave without deducting wages, subsidies for funeral service, pension and relief funds for the family of the deceased, and so on. But the problem is about retirement insurance. Our labor insurance system should be replaced by social insurance. Enterprises are production units of socialist commodities. As they face the risk of being eliminated in competition, they should not be the one responsible for undertaking the insurance work. Moreover, the insurance responsibility of various enterprises differ greatly because their ratio of young and old workers is not the same. This is also an unfavorable factor for enterprises in their competition. From now on, we should establish social insurance institutions and make arrangements for an insurance fund, while enterprises should be responsible for paying a premium for their workers.

We should do well in managing the unemployed workers. According to the principle of optimum employment, both laborers and employers can make their selection. The employers can terminate a laborer's employment, while a laborer can resign from a post. This will inevitably bring about a situation in which some people are unemployed. Thus, we need to develop and strengthen the organization that deals with surpluses and shortages in the labor force -- the labor service company. After absorbing the surplus manpower from various units, the labor service company will help them develop new production skills, or help them create new opportunities for employment by offering them training of another trade. To protect the unemployed people's equal right of selecting jobs among units owned by the whole people, they may find their new jobs by going through the recruitment procedure. Furthermore, the labor service company should offer training and give guidance to the unemployed youths.

DENIAL OF LABOR 'MARKET' UNDER SOCIALISM ILLOGICAL

HK131444 Beijing GUANGMING RIBAO in Chinese 2 Aug 86 p 3

[Article by Han Zhiguo: "Labor Remains a Commodity Under Socialist Conditions -- A Discussion on the Ideas of Comrades Wang Jue and Xiao Xin"]

[Text] On 12 July 1986, GUANGMING RIBAO published an article by Comrades Wang Jue and Xiao Xin entitled "Tentative Views on the Labor Resources Market" (hereinafter called "Resources" for short). The article explores the rational transfer of labor under socialist conditions by denying the existence of the labor market and that labor is a type of commodity. I feel that the basic viewpoints contained in the article "Resources" do not hold water. Their denial of the existence of the labor market under socialist conditions and of labor as a type of a commodity has led to insoluble logical contradictions.

The Labor Resources Market and the Labor Market

Advocating the "overall, rational transfer" of labor while in the meantime refusing to admit the existence of the labor market under socialist conditions is a principal contradiction in logic of the "Resources" Article. To deny that labor under socialist conditions is a commodity, the writers of the "Resources" article put forward the concept of a "labor resources market" in an attempt to evade the concept of the labor market. However, a careful analysis will help us understand that it is illogical to term the place for the transfer of labor a "labor resources market."

First, labor resources include both animate and inanimate labor resources. What is transferred in the market as an essential subjective factor of the productive forces can only be animate labor resources. Second, if the labor resources in the "labor resources market" are interpreted as animate labor resources, these animate labor resources may either be real resources (the labor force) or latent resources (children), and if the market is referred to as a "labor resources market" in general terms, does it not include children? Third, in substituting the "labor resources market" for the labor market, the article does not explain whether these labor resources are supplied by laborers themselves or by others. It does not indicate the main difference between a site for the transfer of labor, which is an essential production factor, and a human exchange market, and that the seller of the labor is the owner of the labor, nor does it accurately show the characteristics of transfers of labor in the socialized commodity economy. Therefore, I am of the opinion that like the "labor market," "labor service market," and "occupation market" concepts, the "labor resources market" concept is unscientific. Only the concept of the labor market can cover the content, form, and characteristics of the transfer of labor in a commodity economy and is therefore the most scientific concept.

The Mechanism for Realizing the Labor Force and the Prices of Labor

Stressing that "distribution of the labor force must be realized through market mechanisms" yet refusing to admit that the labor force under socialist conditions has a price is another contradiction in the logic of the "Resources" article. What are market mechanisms? This refers to the relationship and integration of various factors in the market. Of market mechanisms, the price factor is a key factor. The distribution of social resources in various production departments by market mechanisms is carried out through market prices. [paragraph continues]

Without market prices, there can be no market mechanisms, to say nothing of observing and applying the law of value. The writers of the "Resources" article attribute the spontaneous transfer of the labor force between various departments to changes in the price of the labor force to the special phenomenon of the capitalist economy, thereby denying the role of the prices of the labor force in a socialist economy. How can one use market mechanisms by excluding market prices from market mechanisms? This is merely simulating market mechanisms. As a matter of fact, by asserting that the labor force should take on the "nature of value" and adopt a "commodity form," the writers of the "Resources" article are recommending that the state simulate market mechanisms instead of using them.

Practice in socialist construction over the past decades where the state has simulated market mechanisms with no relation to the market forces of supply and demand has repeatedly proved unworkable. China's current wage reform in enterprises is an example. Why is it that wage reform now faces a dilemma? Fundamentally speaking, this is because we have not discarded the practice of using wages as an administrative lever instead of a market lever. In a commodity economy, laborers can link themselves with the means of production only through the market. Therefore, their wages should not be decided by administrative departments but by the market. In other words, their wages are the price of their labor. Only when the changes in wages are placed under the operation of market mechanisms can labor have a rational direction for transfer and a rational amount of transfer, thereby adapting itself to the essential objective factors of the productive forces; and only thus can the wages of complex laborers be higher than those of simple laborers, can staff members and workers with better skills be better paid than those with lower skills, can laborers be encouraged to improve their cultural and technological levels in the course of market competition, and can technological progress be prompted throughout the entire society. Continuation of the current wage distribution method, which is of a non-commodity economic nature, will not free wage reform from its difficult situation and will make it impossible to rectify wage relationships.

The Individual Nature of Labor and the Conditions for Labor To Become a Commodity

Admitting that labor "still has an individual nature: while refusing to admit that the labor force under socialist conditions is a type of commodity is also an important contradiction in the logic of the "Resources" article. Under socialist conditions, the individual nature of the labor force implies that a laborer can allocate his labor of his own accord and exercise his individual right of labor in the economic field through market exchange. The exchange of labor in the market as a type of commodity is the realization of such an individual right in the economic field. If labor is not a type of commodity, laborers cannot allocate their labor of their own accord, nor can they realize the value of their labor in the market. What, then, is the individual nature of the labor force? Moreover, the market is, in itself, a place for commodity exchange. Without commodity exchange, how can there be a market? The writers of the "Resources" article deny that labor under socialist conditions is a type of commodity from the angle that the means of production are under public ownership. This is also illogical. I am of the opinion that in judging whether labor is a type of commodity, apart from taking the individual nature of the labor force into account, another key point is to see whether laborers possess the actual means of production for direct distribution. Let us put aside the problem of state-owned enterprises being unable to cope with the development of the commodity economy. Even within state-owned enterprises, individual laborers are divorced from the means of production. They do not possess the actual means of production for direct distribution. [paragraph continues]

Only when they are employed by enterprises can they link themselves with the means of production and engage in labor. The results of their labor make it possible for them to earn their wages. Enterprises can dismiss them whenever they do not need them. Therefore, the combination of laborers with the means of production under socialist conditions is actually a type of exchange. Enterprises pay their laborers and laborers provide live labor for enterprises. This relationship is a relationship between selling and buying commodities. The labor contract system and the recruitment system practiced in various localities over the last few years are in reality a valuable step toward admitting that labor under socialist conditions is a type of commodity. This fact suggests that labor under socialist conditions as a type of commodity is an objective reality independent of man's will.

Labor as a Type of Commodity and the Socialist Commodity Economy

The theory of the socialist commodity economy is being established as a result of the profound development of economic structural reform. In the socialist commodity economy, labor must become a type of commodity. Why is there a commodity economy under socialist conditions? This is because there is an extensive social division of labor and individual ownership of labor. The individual nature of laborers has brought about the individual interests of laborers as well as market competition between laborers. The collective interests based on the individual interests of laborers have given rise to market competition between enterprises, thereby given rise to market competition between enterprises, thereby allowing the realization of products to take the form of commodity exchange. The competition between individual and collective interests has brought about the emergence of market mechanisms, which regulate production and circulation in society. Therefore, only when labor under socialist conditions becomes a type of commodity will the products of social labor really become commodities.

Can we assume replacement of the old economic structure by a new one suited to the commodity economy without turning labor into a type of commodity? I think this is impossible. Without turning labor into a type of commodity, the economic interests of laborers cannot be linked with the results of production and operations; their initiative, enthusiasm, and creativeness cannot be brought into full play; and the practice of "everyone eating from the same big pot" cannot be eradicated. Without turning labor into a type of commodity, enterprises cannot freely choose laborers or decide on their wages, cannot really assume sole responsibility for their profits and losses, and cannot really become socialist commodity producers and dealers. Without turning labor into a type of commodity, it is impossible to form a commodity economy.

LAWS PROPOSED ON RECRUITING AND DISMISSING WORKERS

HK120352 Beijing CHINA DAILY in English 12 Aug 86 p 1

[Text] China this year will publish regulations concerning the dismissal of workers by State-owned enterprises for violating work rules, Gao Shangquan, deputy director of the State Commission for Restructuring the Economic System, said yesterday.

Also published will be regulations on recruiting workers and on labour insurance for the unemployed, as part of the effort to improve the contract labour service system now being tried out in a selected number of areas.

The system will become applicable nationwide with the publication of the fourth regulations specifying policies and rules, Gao said.

It was first introduced five years ago to break the so-called "iron rice bowl" practice which gives workers jobs for life. The country now has 3.5 million contract workers, accounting for 5 percent of its total industrial labour force, according to earlier news reports.

China's labour reform, Gao pointed out, was aimed at laying a foundation for a dynamic socialist economic structure in a period of five or more years.

He said this would call for separating the ownership and management of an enterprise, making the enterprise an independent economic legal entity responsible for its own losses and gains, instead of being controlled by higher administration.

Moreover, the prices of production materials will be readjusted to ensure reasonable taxation on the enterprises and the administrative planning will be narrowed so that most production materials are exchanged through contracts.

SELF-EMPLOYED INCREASE 'HUNDREDFOLD' SINCE 1976

OW181234 Beijing XINHUA in English 1139 GMT 18 Aug 86

[Text] Beijing, August 18 (XINHUA) -- The number of self-employed people in China has increased nearly a hundredfold over the past decade, according to a news release by the State Administration for Industry and Commerce today. The 17 million self-employed, 80 percent of them in service trades, had paid 7.8 billion yuan (2.1 billion U.S. dollars) in taxes between 1981 and 1985, and have become an "indispensable part of the national economy." Because their workers-owners directly profit from their work, the release said, "the businesses of the self-employed are usually the first to open and the last to close, making life easier for the people at large."

In some cases, such enterprises have developed from small handicraft work areas and shops into small-scale industries, involving mining, transport, tourism and consulting services. "Once they are running, some of them just grow and grow, and a few have broken into the international market, providing China with the foreign exchange it needs for economic development," the release said.

While a decade ago, at the end of the "Cultural Revolution," the handful of self-employed people were often looked down upon. Now they enjoy the same respect and social benefits as workers in state-and collectively-owned enterprises. And the self-employed are beginning to enhance their status and well-being by forming cooperatives that pool their economic power. So far, 3.1 million self-employed people are involved in 270,000 cooperatives.

While overall the ranks of the self-employed in China continue to grow, in some areas some of the self-employed have given up their businesses and have returned to regular jobs, according to the release. "We're not sure why this is happening," one administration official said. "But we're studying the problem and expect to develop suggestions for its solution."

NORTHEAST DEVELOPMENT SEMINAR OPENS IN HOHHOT

SK190821 Hohhot Nei Monggol Regional Service in Mandarin 1000 GMT 18 Aug 86

[Excerpts] The fourth seminar on strategy for the social development of the Northeast China Economic Zone opened in Hohhot this morning. This seminar will further explore the strategy for economic and social development of the Northeast China Economic Zone and for developing trans-provincial and trans-regional lateral economic integration.

Present at the seminar were responsible comrades of the pertinent departments under the CPC Central Committee and the State Council; specialists and scholars of various economic, research, and advisory institutions; leading comrades of the Shanghai Economic Zone Planning Office, the Beijing Energy and Economic Planning Office, and the Northeast China Economic Zone Planning Office under the State Council; and responsible comrades of Heilongjiang, Jilin and Liaoning Provinces and Nei Monggol Autonomous Region.

Liu Zuohui, vice chairman of Nei Monggol Region, presided over the opening ceremony of the seminar. Bu He, deputy secretary of the regional party committee and chairman of the region, delivered the opening speech. He said: Through the ages, there have been close ties between Heilongjiang, Jilin and Liaoning Provinces and Nei Monggol Region in the fields of politics, economy, and culture. Particularly since the 3d Plenary Session of the 11th CPC Central Committee, along with the development of the national economy and the penetrating development of reform, it has become more necessary to develop lateral economic cooperation.

Comrade Bu He said: The holding of the current seminar in Nei Monggol Region will vigorously study development and various other tasks, and will provide the region with a good opportunity to learn from the pertinent central departments and the three provinces of northeast China.

Wang Luming, deputy director of the Northeast China Economic Zone Planning Office under the State Council, also spoke at the seminar. [passage omitted] Gu Zhuoxin, member of the Advisory Commission of the CPC Central Committee, also gave an important speech at the opening ceremony. Kong Fei, Standing Committee member of the National CPPCC Committee, attended the ceremony.

PROFIT-ORIENTED BANK SLATED FOR YEAR'S END

HK180511 Hong Kong SOUTH CHINA MORNING POST in English 18 Aug 86 Business Post p 1

[By Jasper Becker]

[Text] Shenyang: China's central bank is proposing to establish a new profit-oriented bank as part of widespread reform of the financial system.

The bank will be called the Communications Bank and based in Shanghai, it could be established by the end of the year, a senior official said.

In a significant departure from current practice, each branch will be allowed to operate independently instead of being administered from the centre, said Mr Ma Zhongzhi, vice-president of the Shenyang Branch of the People's Bank of China.

The People's Bank took over the role of central bank last year from the Bank of China. The latter now handles foreign exchange matters.

The new bank also plans to establish branches abroad. At present, only the Bank of China had overseas branches. Mr Ma said the Communications Bank would be a Bank of China competitor.

Shenyang -- a northeastern industrial centre and one of the five cities experimenting with banking reforms -- hopes to establish its own branch, he said.

"China's financial organs are very undeveloped. We need to expand and improve banking services to carry out the (national economic) reforms," Mr Ma said.

The Industrial and Commercial Bank was created two years ago, bringing the number of specialised institutions to four. The others are the Agricultural Bank, People's Construction Bank and Bank of China.

The aim of the reform is to inject competition into the system and make banks responsible for profits and risks, Mr Ma said.

"Competition is there now. Banks are competing to attract deposits and provide loans," he said.

Bank of China can now take deposits in yuan as well as dealing with foreign exchange.

Already competing with it for foreign currency deposits and loans is China International Trust and Investment Corp, which operates as a merchant bank and recently took over Hong Kong's failing Ka Wah Bank.

Under the old system firms seeking loans had to apply to the banks designated by higher authorities. Banks in turn could lend only funds on hand, and then wait until Beijing gave them more. Bad loans were never penalised.

Decentralisation, launched with the urban reforms at the end of 1984, created chaos with indiscriminate lending fuelling excessive growth. That culminated in the spring of last year in the removal of a number of senior banking officials.

Despite the redecentralisation that followed, the People's Bank is pushing ahead with efforts to create a more capitalist-style financial system.

Interest rates on deposits have been raised, foreign currency withdrawals sanctioned and other steps such as bond issues taken to boost deposits and make use of private savings.

Since the beginning of this year, banks in Shenyang, Wuhan, Chongqing, Guanzhou and Changzhou have been able to lend and borrow among themselves and set their own interest rates without going through Beijing.

The result is more rational use of capital, Mr Ma says, but there is a restriction -- accounts between banks must be settled each year.

A more sophisticated experiment was launched earlier this year in the same cities with short-term commercial paper which the People's Bank can discount. Interest is lower than for normal credit.

At the same time, the People's Bank is withdrawing from direct control in favour of reliance on four levers -- supervising bond issues, setting liability/equity ratios, controlling discount and rediscount of bills and regulating money supply.

But Mr Ma says the specialised banks are not all responding. "They have not yet really become enterprising concerns. They still operate on the "iron rice bowl" principle and regard themselves as government institutions."

BANK OF CHINA FACES LOAN CAPITAL SHORTAGE

HK180500 Beijing CHINA DAILY in English 18 Aug 86 p 2

[Text] Qinhuangdao -- The Bank of China is still acutely short of funds to provide loans to businesses involving foreign investment and no substantial improvement is expected in the next few years, a senior bank executive said here last weekend.

Despite the shortage, however, the bank pledged its full support for such businesses and will do all it can to help improve the investment environment and attract more foreign capital into the country, the official said.

Speaking at the closing session of a working conference on loans to businesses involving foreign investment, the executive told delegates that his bank would adopt diversified methods to raise funds and would provide loans to certain select businesses to reduce risk.

He said the lack of adequate financing was the most serious problem in setting up Sino-foreign joint ventures and most of them needed the bank's help. According to a recent bank survey on 852 businesses that borrowed from the Bank of China, investments from both Chinese and foreign partners accounted for only 33.6 percent of the total investment. The rest came from bank loans and other sources.

The official said the bank would adhere to its consistent policy of supporting manufacturing businesses, particularly those that would introduce advanced technology into China, or were export-oriented and capable of maintaining a foreign exchange balance.

He said that to further improve its work, starting from next year, the bank would make separate plans for two types of loans -- the Chinese-side investment share loans and the joint venture's working capital loans. The move was considered by experts of the banking industry to be an important measure in providing loans to such businesses.

During the conference, delegates discussed the draft amendment of the bank's interim regulations on loans to businesses using foreign investment and agreed on strict clauses relating to loan guarantee and management to ensure safe returns.

In his closing remarks, the executive said the bank would also pay closer attention to personnel training. It will hold another meeting later this year to discuss and work out ways to solve problems of providing loans.

According to a recent government report, China used \$24.9 billion of foreign investment and approved the establishment of 6,880 equity and contractual joint ventures, and wholly foreign-owned enterprises between January 1, 1979 and July 30 of this year.

Of the foreign investment used, \$5.4 billion was direct investment, the report says.

LIAOWANG ON PROSPECTS OF FOREIGN EXCHANGE

HK160842 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 32, 11 Aug 86 pp 12, 13

[Article by Zhuang Kaixun: "Prospects for Foreign Exchange Equilibrium as Seen From China's Export Trade in the First Half of This Year"]

[Excerpts] China's foreign exchange balance and, in particular, its foreign trade deficits over the last 2 years have aroused widespread concern in economic and trade circles abroad. How was the situation in China's export trade in the first half of this year? What are the prospects for the expansion of its exports? What is the connection of all this with the balance of international payments?

A Strong Trend in Its Exports in the First Half of This Year,

According to the statistics compiled by the Ministry of Foreign Economic Relations and Trade, in the first half of this year, the country's exports amounted to \$12.8 billion, an increase of 13.7 percent over the same period last year. China's foreign exchange income dropped by a large margin in the first half of this year due to a drastic fall in international oil prices, but its exports of other commodities increased by 38.6 percent over the same period of last year. A large increase was registered in the export of cereals, oils, foodstuffs, textiles, and other light industrial products, native products, livestock products, handicrafts, hardware, minerals, machinery, and equipment.

A prominent change took place in the mix of the export commodities in the first half of this year, with an increase in the export of manufactured goods and an even larger increase in the export of textile and other light industrial products, native products, and agricultural and sideline products. From January to June this year, foreign exchange income from the exports of textile and other light industrial products amounted to \$4.775 billion, the highest record in history. The export of 20 types of major textile products including cotton yarn, cotton cloth, polyester yarn, polyester fabrics, woollen fabrics, clothes, and knitwear increased by a large margin over last year. The export of polyester yarn, ramie yarn, woollen blankets, and cotton increased by 100 percent over the same period of last year, and the export of silk by 24 percent. A large increase was also registered in the export of light industrial products such as shoes, work gloves, clocks, wristwatches, bicycles, toys, and electrical household appliances. In the first half of this year, the export of handicraft articles exceeded that in the same period of the peak, 1981. There was a large increase in the export of drawnworks, ceramics, furniture, leather goods, and umbrellas. The export of pearl embroideries, artistic handbags, artistic toys, jewelry, and ornaments increased 100 percent. The exports of native products as well as agricultural and sideline products such as gunnysacks, fodder, white melon seeds, honey, camphor balls, and fine hair increased by a large margin over the same period of last year.

In the first half of this year, export enthusiasm rose in all parts of the country. The exports from Guangdong port totaled \$1.76 billion, ranking first in the country; Shanghai port registered a foreign exchange income of \$1.69 billion through exports, ranking second; Liaoning's exports amounted to \$1.55 billion, ranking third; Shandong reaped \$1.15 billion from its exports, ranking fourth; and Jiangsu registered \$880 million, ranking fifth.

In the first half of this year, the quality of China's export commodities improved and their variety increased. From January to May this year, the export of Qingdao beer increased by 250 percent over the same period of last year, and the whole year's export has been calculated at 1 million bottles. [passage omitted]

The Cause of the Good Trend in Exports

Viewed from the international market, the sharp fall in oil prices resulted in the reduction of the production costs of oil-consuming countries and an increase in their purchasing power. This undoubtedly provided an opportunity for the growth of China's exports.

In addition, as a result of the institution of economic structural reform and the implementation of the policy of opening up to the world, various regions and departments paid attention to the supported exports. Examples follow:

-- The good points of the exports in the coastal areas, characterized by having accurate information, high technology, and numerous customers, were linked with the good points of the hinterland, which has abundant resources for exports. The five major ports of Guangzhou, Dalian, Shanghai, Qingdao, and Tianjin established various forms of lateral economic relationships with provinces in the hinterland. For example, from January to June this year, Shanghai transferred and purchased export goods from other provinces totaling 1.38 billion yuan, an increase of 48.3 percent over the same period of last year.

-- Factories and enterprises producing export commodities were linked with enterprises dealing in foreign trade and export commodities. [passage omitted]

-- The introduction of advanced foreign technology and equipment was combined with the work of increasing foreign exchange income through exports. [passage omitted]

China's export trade enjoyed support from banks, communications departments, and transport departments. While exercising good monetary macrocontrol, banks provided preferential support for the production and purchase of export commodities, thereby satisfying the needs for foreign trade loans. Statistics revealed that bank loans for foreign trade enterprises accounted for one-fifth of all commercial loans. China's oceangoing ships increased the number of runs and routes for foreign trade and exports. Foreign trade ports were built or expanded in many localities. The Shijiu port in Shandong -- China's largest deep-water coal export port -- was put into operation in May this year, with an annual coal export capacity of 15 million tons.

Strengthening Macrocontrol and the Management System

In the first half of this year, the country's imports amounted to \$14.04 billion, a drop of 2.7 percent compared to the same period of last year. Adjustment was made to the mix of imports, with an increase in new technology, set equipment, machinery, implements, steel, and food and a decrease in copper, aluminum, chemical fertilizers, farm chemicals, sugar, and electrical household appliances. Trade deficits in imports and exports dropped from \$3.16 billion in the first half of last year to \$1.24 billion in the first half of this year. This drop indicates good prospects for China's foreign exchange equilibrium. [passage omitted]

To expand foreign economic and trade relations as well as technological exchange, the state further strengthened and perfected its macrocontrol and management system and used economic levers such as exchange rates, customs duties, taxes, and export credit to regulate import and export trade. The exchange rate between the yuan and foreign currencies was lowered by 15.8 percent on 5 July this year. It is normal to make adjustments to exchange rates in line with the changes in domestic and international market prices. According to an analysis by some people in economic circles, the last exchange rate adjustment will help expand exports and reduce the export costs of foreign trade departments, thereby increasing circulating funds for foreign trade. It will also play a certain role in restricting unnecessary imports and expanding tourism. Of course, the exchange rate adjustment will bring about new problems: The cost for producing export commodities by using imported materials will increase, it will be difficult to strike a balance between imports and exports, and "parallel goods" dealers will avail themselves of this opportunity to make profits. Therefore, people in economic circles suggested that the state should pay close attention to the new situation and new problems and take effective measures to strengthen its management so that the exchange rate adjustment will play an excellent role in promoting imports and exports.

Some people in economic circles believe that it is not strange that some deficits arise in import and export trade. Sometimes there is a favorable balance and sometimes there is an adverse balance. This is normal. A favorable balance totaling \$9.4 billion was registered during the 3 years from 1981 to 1983, whereas the 2 years of 1984 and 1985 witnessed an aggregate adverse balance of \$8.5 billion. The Chinese Government attaches great importance to improving the balance of international payments and strengthening its macrocontrol mechanism. It has also taken effective measures to prevent unnecessary imports. Therefore, there are reasons to believe that the prospects for China's foreign exchange equilibrium are good.

WAN LI SPEECH AT SOFT SCIENCE SYMPOSIUM

OW160701 Beijing XINHUA Domestic Service in Chinese 0632 GMT 14 Aug 86

[Wan Li speech at the National Symposium on Soft Science Research on 31 July 1986: "Making Decisions With a Democratic and Scientific Approach Is an Important Aspect in Restructuring the Political System"]

[Text] Beijing, 14 Aug (XINHUA) -- Comrades! This meeting -- the National Symposium on Soft Science Research -- is the first of its kind that has ever been held in our country. Comrades Song Jian and Gian Xuesen and many other experts have made incisive speeches at this lively meeting, imbued with new concepts. This is a significant event for the nation's intellectuals in general, and for those within the scientific and technological circles in particular.

I do not have much to say about the various disciplines of soft science. As far as I know, the basic purpose of soft science research is to provide a scientific basis for all types of decision-making, thus helping the leading authorities make decisions. In this sense, soft science research is decision research. It is an act of employing scientific methods during the decision-making process. In other words, it is a process of decision-making with modern scientific and technological means as well as democratic and scientific approaches so that the decisions are scientifically-based and institutionally-guaranteed products of collective wisdom, institutionalized through democratic and scientific approaches, and capable of expediting China's modernization. On several occasions recently, Comrade Deng Xiaoping proposed that research be conducted on the restructuring of the political system [zheng zhi ti zhi gai ge 2398 3112 7555 0455 2395 7245]. Specifically because of the close relationship between soft science research and the leading authorities' decision-making, as well as the restructuring of the political system, I would like to use this opportunity to share with you some of my personal observations:

1. Intensifying soft science research is essential for modernization.

Soft science research, which covers many fields of natural and social sciences, is comprehensive, multidisciplinary, and interdepartmental research. Today, following the rapid development of the new technological revolution in the world, science and technology have penetrated all spheres of material production and the social life of mankind and become basic features of modern civilization. Science and technology have become indispensable for solving all major economic and social issues. We often say that science and technology are powerful forces giving impetus to social development. Not only does this mean that direct use of scientific and technological achievements in production can significantly increase productivity; more importantly, it also means that, as a composite knowledge and a means of facilitating thinking, science and technology can help us make macroscopic observation and analysis of complex and changeable economic and social phenomena, and make accurate assessments and judgments, thus helping us make scientific decisions within an even broader scope and expediting the development in all social sectors as well as scientific and technological progress itself. This is the important mission of soft science research.

Although soft science is a term that had never been used in China until recent years, decision research has existed for a long time. The method of taking the mass line, exemplified in the requirement of "coming from the masses, going to the masses;" and the method of leading the masses by "amassing them to work perseveringly," as well as other methods such as using models, conducting experiments or investigation, and dissecting sparrows [jie pou ma que 6043 0472 7802 7158] -- methods advocated by our party over a long period of time -- are all effective methods facilitating decision-making, and they still are a precious legacy that we should carry forward. We must realize, however, that profound changes have indeed occurred today. The tasks confronting us today cover a much wider scope and are much more complex than those in the past, and the theories and methods for conducting decision research have been greatly developed and enriched, and have become increasingly profound. While it is important to investigate the social situation and thoroughly understand the nature and development of objective matters, it is even more important to do systematic, step-by-step studies and analyses of complex economic and social phenomena, and do comprehensive studies of their mutual relationship and influence. Thus, in the light of the many principles of natural and social sciences, we must use electronic computers and other advanced calculators and testing devices to conduct static investigations of models and active systematic analyses, conduct qualitative and quantitative analyses, and make decisions with democratic and scientific approaches. Since we have suffered a great deal in the past for judgments made on the basis of a few precedents and not on the basis of quantitative analysis, we should now make decisions on the basis of reason without regard to personal and emotional factors.

Soft science research has reached a fairly high level in foreign countries, especially the developed ones. It has also developed up to a certain degree in our country in recent years. Today, scientific means have already been employed in conducting feasibility studies of a number of major construction projects; quantitative analyses and tests have been used in choosing the best plans for certain major economic and social projects; and relatively thorough and scientific systems analyses and assessments have been conducted before certain major strategies, principles, and policies were set forth for some major construction projects. For example, the dozen or so major technical policies that have been examined and officially promulgated by the State Council are products of research cosponsored by the State Scientific and Technological Commission, the State Planning Commission, and the State Economic Commission. Other notable examples include the study of the prospects for China's development in the year 2000, the study of the new technological revolution and countermeasures the nation should take, the study of the strategy for rural development, the study of population and family planning policies, and the comprehensive assessment and study of the three-gorges project, as well as the study of the strategy for the development of certain regions and businesses. Soft science research has become an important new force in China's modernization.

The rise of soft science research in China is not an accidental phenomenon. It is an inevitable historical trend with conspicuous contemporary characteristics. It is a product of our party and government during the course of their summing up of their positive and negative experiences and adhering to the ideological line of seeking truth from facts in making decisions, a product urgently needed to keep up with economic and social development under the situation of opening to the outside world and carrying out reforms during the new period, and a product of rapid scientific and technological development today. This can be explained in the following respects:

First, after the 3d Plenary Session of the 11th CPC Central Committee, our party has rectified its "leftist" and subjective mistakes, which had affected its guiding thought for a long time, and returned to the correct course guided by Marxism and Leninism.

Since then, the need to seek truth from facts, to regard experience as the sole criterion of truth, and to rely on people's initiative and creativeness for socialist construction are emphasized throughout the party. And subjectivism, the theory that willpower alone counts, and arbitrary conduct have been replaced by investigation and study, democratic discussion, and collective leadership. The party has again regained its youthful spirit. After comparing its positive and negative experiences, and having realized the utmost importance of making decisions with a democratic and scientific approach, our party has set forth a series of important policies and measures, stressing the need to respect knowledge and proficient personnel, encourage the free airing of views, and uphold the double-hundred principle. This has aroused the political enthusiasm and initiative of the vast number of intellectuals and people in the country. A good political environment for conducting soft science research and making decisions with democratic and scientific approaches has thus been created in the country.

Second, by opening to the outside world and carrying out reforms, we have become more knowledgeable in the development of science, technology, and management of the world, and our vision has been broadened. We are also required to respond as quickly as possible to the development of highly complex situations at home and abroad, and deal with the constant appearance of all kinds of new situations and problems. China is a big, but economically and culturally backward, country. Its development is also extremely uneven. The tasks of modernization have never been as strenuous in the past. This has greatly exacerbated the complexities and difficulties in making decisions. Even the slightest carelessness or error may cause irreparable losses. To make correct decisions under such circumstances, a leader not only has to rely on his wisdom and experiences gained in years of practice as well as other leading members' collective wisdom and experiences, he must also rely on a large number of experts of all trades and professions, all kinds of decision research specialists, and associations that provide consultative services and information; and he must also employ new theories and methods and conduct collective research before he can come up with correct measures for dealing with the situation. These are social and economic conditions under which soft science research develops.

Third, social progress and modern scientific and technological development have resulted in a close relationship between natural and social sciences, making them overlap, thereby creating some crossover and marginal disciplines. This makes it possible to carry out large-scale comprehensive interdepartmental and multidisciplinary research, and to reflect the common needs of all branches of science. The theory and methodology of the science of decision-making has been greatly enhanced and enriched, and the research on decision-making is furnished with a solid rationale and technical means. Research in soft science thrives on this scientific and social foundation. Here I would like to stress that combining natural and social sciences in China still poses many problems. Coordination between the disciplines in social science is also insufficient. We should create favorable conditions, remove all obstacles, and promote integration of all disciplines so as to facilitate research in decision-making.

The three conditions mentioned above enable the growth of soft science in China. As China modernizes itself and further implements the policy of opening to the outside world and making reform, all departments and localities are faced with many new problems in practice. This calls for more policy decisions on scientific, technological, economic, and social issues, and the need for research in soft science becomes more urgent. China is bound to make great progress in soft science, and researchers in this area will have a greater role to play.

2. Discarding outdated decision-making methods is crucial to the reform of China's political system.

Despite the development of soft science in China, and although the achievements in this area have been applied to a certain extent, democratic and scientific policy-making still has not received sufficient attention in China. This is the result of our obstructed views on traditional values, and is an important aspect which reflects the existing problems in our political system.

Being the superstructure of socialism, the socialist political system should serve the socialist economic base. As China's economic reform develops in breadth and depth, reform of the political system becomes more urgent and its importance more apparent. A serious drawback in our political system is overconcentration of leading powers, and the system of decision-making is unsound. Therefore, in reforming the political system, it is extremely important to fully uphold socialist democracy and be truly democratic and scientific in making policy decisions.

Decision-making, which has existed for ages, falls into different categories. In ancient times, high-level important policy decisions of the state were made by the feudal emperors, who relied mainly on their own talents, experiences, personal likes and dislikes, as well as the suggestions of their officials. The destiny of the state and the people depended upon whether the good or the evil officials were more influential. The backwardness and limitations of this method of decision-making are known to all. In modern times, socialized mass production has brought about drastic changes in social, political, and economic spheres in some well-developed capitalist countries. The amount of knowledge and information has increased tremendously, and complicated and ever-changing problems that require policy decisions keep piling up. Individual outstanding leaders are incapable of handling these problems simply by relying on their own wisdom. Hence the existence of think-tanks and consulting agencies. Experts and men of ideas in different areas of knowledge and with different experiences are brought together. The ideas of a group of people make up for the inadequacies in personal talents, experience, and energy of the leader. This is not just adding up a few more brains. It implies establishment of a comprehensive entity of knowledge and information made up of different areas of knowledge which employ scientific theories, methods, and means, and which are mutually supplementary, inspiring and enriching. Of course the role of this entity is much greater. Having developed for a few centuries, capitalism has widely established a set of decision-making procedures and regulations, as well as a feedback system, so that unsound policy decisions may be constantly and promptly revised according to the feedback. This has facilitated the development of capitalism. Of course, under the system of private ownership, the decision-making process in capitalist society is inevitably affected by the conflict of interests. However, their procedures and methods may be borrowed for reference.

Socialist society is based on public ownership and large-scale socialized production. In a socialist society leaders at all levels are public servants of the masses, and the people are the masters of the country. Therefore, socialist society requires all the more genuine democratic and scientific policy decisions to realize the interests of the state and the people, and it is possible for socialist society to make such decisions. In this regard, we have already done a lot of work and made certain progress.

Nonetheless, due to the influence of the several-thousand-year-old feudal society and small production economy, the backward state of our science, culture, and education, imperfect legislation, and problems with cadres regarding their quality and democratic work style, we have not yet established a rigorous system and procedure for making policy decisions, nor have we had a perfect support system, consultancy system, appraisal system, supervision system, and feedback system for that purpose. There is not test to determine whether or not a policy decision is scientific, and it is hard to conduct effective and timely supervision to avert erroneous policy decisions. Even at present, the practice of relying on the leaders' experience in making policy decisions is still common and prevalent. When problems on policy decisions arise, they cannot be corrected in a timely way; and the only way is to make redress or to set things straight when a policy decision is found to be seriously wrong, but by then it is already too late. Now is when we must change the state of affairs where policy decisions are made blindly and hastily. If this question is not resolved, our socialist system will remain imperfect and unsound, and our national economy will not be able to develop continuously and steadily. An extremely important aspect of the reform of our policy system is to resolve this question. By tackling this question of effecting democratic and scientific policy decisions, we will be able to improve and consolidate greatly China's socialist system; help the hundreds of millions of people strengthen their sense of responsibility as masters of their own destiny, whipping up their enthusiasm and creativeness; and give full play to the superiority of the socialist system.

In a modernized society, science and democracy are inseparable. Without democracy, genuine development of science would be out of the question. Without science, it would be impossible to establish real democracy. Similarly, the scientific approach and democratic attitude are inseparable in making policy decisions. The so-called scientific approach needs the democratic attitude as its primary prerequisite. Without the latter, it would be impossible to pool the wisdom of a large number of people, encourage them to voice their opinions, and respect knowledge, competent personnel, and the people's creative intelligence and practical experience. That is, there would be no scientific approach. On the other hand, the so-called democratic policy decision-making must be scientific; in other words, there must be scientific procedures and methods. Otherwise, it is only democratic in form but not in reality. All these are not merely a theoretical issue, but primarily an issue regarding practice that must be resolved urgently. To resolve this issue successfully is an unshirkable historical responsibility of the people of our generation.

The basic purpose of developing our soft science research is to promote the scientific approach and democratic attitude in making policy decisions, change the old backward and ignorant thinking and method for making policy decisions left over from the long period of feudal society, and replace them with new ones. In short, the aim is to reform the policy decision system and make a new breakthrough in people's outlook on values.

3. Promoting scientific and democratic policy decision-making is a major responsibility of the leadership.

The key to effecting democratic and scientific policy decisions lies in the leadership at all levels. It is necessary to intensify further the reeducation in, and enhance the understanding of, the need for democratic and scientific policy decision-making throughout the party and the nation, especially among the leading party and government cadres at all levels.

The responsibility of the leadership is to formulate strategies, work out plans, shape policies, manage, and give cadres their job assignments. To fulfill this responsibility, the leadership needs to make policy decisions. Therefore, making policy decisions is the leaders' most fundamental function. The leading cadres at all levels in our country in general are essentially good, with the basic qualifications and abilities to be leaders.

A careful analysis of them, however, reveals their different situations and various problems. Lack of awareness of the importance of democratic and scientific policy decisions and necessary abilities to make such decisions are problems common to many cadres.

Many of our veteran revolutionary cadres have been tempered in war situations. They are experienced in exercising leadership, and have great wisdom and talents. They have made important contributions to revolution and construction. However, due to the limitations of historical conditions, many of them lack knowledge of modern science and technology, as well as operations and management. I am one of them. Many of our new cadres who graduated with specialties in science and technology are fairly proficient in specific branches of science and technology and they know a lot about advanced developments in science and technology. However, many do not understand macroscopic decisions, and are inexperienced in organizational work, operation, and management. These two types of people live in an objective environment in China, which is economically and culturally backward. They have been directly or indirectly influenced to varying degrees by the small producers' mentality left over by the long period of feudal society. Many of them do not realize the strategic importance of using science and technology in decision-making. They do not fully understand the value and importance of democratic and scientific decision-making, let alone research in soft science. Generally speaking, they prefer the "hard," visible and tangible things, which they regard as completely real. They look down upon the "soft," invisible and intangible things, which they regard as unreal and dispensable. They do not realize that today, and especially in the years to come, human society is becoming one that stresses knowledge and information. "Software" is the pioneer of "hardware." It guides the development of "hardware." The tremendous value of research in soft science lies in the fact that, through the integration of knowledge and information, we can foresee and review all macroscopic and microscopic processes, so we can forecast changes and the development of things within a limited scope at a low cost. Those who do not understand and tap this potential will lag behind. Of course we cannot blame the cadres for this problem, which is the result of historical conditions in China. To solve this problem earnestly, leading departments of party and government organs at all levels should make plans and, step by step, take measures to raise the leading cadres' scientific and cultural level as well as their skills in making macroscopic decisions, and encourage them to study assiduously, overcome the small producers' narrow-minded mentality that may be found in them, and consciously foster the fine style of respecting science and democracy. Education in our party schools and related colleges and universities should not only offer courses in political theory, but also courses in modern science and technology, operations and management, and new theories in decisionmaking. In the future, the traditional approach of depending on the leader's personal experience and will should not be used in making decisions on major issues. Scientific methods should be adopted. Scientific procedures should be followed in making scientific verifications so as to reduce and avoid possible blunders. Of course this takes time. It cannot be achieved overnight. However, we should study hard, strive to speed things up, and master this science soon. Mistakes in policy decisions are the most serious of all. Carelessness in one move will turn the entire situation into disaster. The blunder in the decision to launch the Great Leap Forward resulted in billions of yuan of losses in material wealth, losses which could be calculated. Many other intangible losses, especially the mental losses of the people, were even more serious. The blunder in the decision to launch the "Great Cultural Revolution," which lasted for 10 years, brought calamity to the nation and the people and affected our posterity. This is why we still need to work hard to eliminate the far-reaching consequences of the blunders in these important policy decisions. Correct policy decisions have been adopted since the 3d Plenary Session of the 11th CPC Central Committee. For instance, taking class struggle as the key link has been replaced by developing social production, which is taken as the work emphasis of the whole party and the whole nation. We have entered a new period for accomplishing modernization. We have witnessed unprecedented prosperity in economic construction and work in all fields.

The ideological line of emancipating minds and seeking truth from facts has prevailed again, thereby enabling our party to restore and further develop fine traditions, and create a new and lively political situation. Besides, there are the policy decisions on reform and opening to the outside world, and on invigorating the domestic economy. We can say that this is the beginning of the regeneration of the Chinese nation. We should constantly ponder and forever remember this historical contrast.

Soft science research is in the service of policy makers and leaders at various levels. The leaders at all levels should highly value and respect this service. Even today, however, some of our leaders still do not know the value of knowledge and the importance of respecting knowledge and competent personnel. Many still fail to draw lessons seriously and on their own initiative from the fact that the wrong policy decisions in the past caused harmful effects on our nation and people. They seldom contact intellectuals and experienced comrades or even regard these people as strangers. What they are doing and thinking is not known to others, nor are they aware of what others are doing and thinking. If this state of affairs is not changed, democratic and scientific policy decision-making will be out of the question. It is imperative to promote the practice of leaders constantly exchanging ideas, communicating, and discussing questions on an equal and democratic basis with researchers and with those who have diversified knowledge and practical experience. Every leading department should have its own research group to rely upon in making policy decisions. The work of the research group includes giving full play to and relying upon the role of the policy research forces in society or under related departments that have real knowledge and can make sound judgments. In addition, every leader should have a few close friends who are bold and knowledgeable and especially honest friends daring to voice different opinions and give forthright advice unreservedly. Even in the feudal age, some able and open-minded emperors were able to respect wise intellectuals and form close relations with a few advice-giving officials and intimate friends. Shouldn't we communists do even better in this regard?

It is necessary not only to respect experts but also to learn from those with practical experience and from cadres at the grass-roots level. These two things accord with each other and should be combined. It is fine that some of our departments have now set up policy research offices. Unfortunately, many of them are policy research offices in name only. These offices are no more than secretarial work groups for drafting documents and reports. It is imperative to include some outstanding experts with real competence and usable knowledge and some cadres rich in practical experience in these offices and, through them, establish contacts with more competent people so as to pool the wisdom of all concerned and to give full play to their role as think tanks, advisors, researchers, and consultants.

Policy research, the job of probing into the unknown, is full of risks, and occasional mistakes are hard to avoid. Leaders must foresee this situation and make correct judgments and choices. In case problems arise from a policy, the leader concerned should be primarily held responsible, and in no way should the responsibility be thrown totally onto the policy research personnel. From an erroneous policy proposal, a wise leader can even receive education and draw a conclusion that has a positive effect. Sometimes, the results of a soft science research project, though they have not been adopted and give no immediate benefit, are nevertheless of enormous value as a warning, a preventive alarm, or a factor to be considered in dealing with certain questions.

4. The development of soft science requires a good political environment and necessary material conditions.

To develop scientific theories, first of all, it is necessary to create a political environment characterized by democracy, equality, and consultation. Leaders should respect the democratic right of others to fully air their views. They should not be afraid that others may say something different from their own opinions or even contradict them. In the past we talked about "blame not the speaker but be warned by his words." The slogan is incorrect but rather passive. To make it positive, we should say "he who speaks out renders a great service" and "he who listens will benefit." It is of particular importance that soft science research should be conducted in such a good political environment. The reason is that soft science requires creative and complex mental labor that involves both the academic and political fields. Only in an atmosphere with a high degree of academic freedom can we think creatively and independently, reach a conclusion by using reason, and offer penetrating judgment, and also only in an atmosphere with a high degree of political democracy can we speak out without fear, prevail over all dissenting views, and fervently present our own views. In conducting soft science research we should respect only objective facts and truth, should not have blind faith in authorities, and should not submit to the will of individual leaders. All conclusions should not be reached before research is undertaken, but should be drawn after research has been conducted and after they have been proven correct in practice. Very often some leaders like to consider the research departments subordinate to them as tools for helping them piece together "theoretical bases" for their policy decisions. These so-called "scientific" theoretical bases for policy decisions are deceptive and dangerous, and it would be better without them. Soft science research must be relatively independent of the influence of policymakers. It can only accept the test of experience and can be responsible only to the people and history, but cannot be conducted to satisfy the wishes of leaders. While leaders may disagree with the viewpoints of researchers, negate their conclusions, and reject their proposals, it is not permissible for them to force researchers to change their viewpoints against their will and to revise their conclusions for the purpose of satisfying their own needs. In order to make the policymaking process in our country democratic and scientific, we need to adopt some legislative measures to give legal protection to policy researchers and to institutionalize and rationalize our policymaking process gradually.

In order to create a political environment where there are democracy, equality, and consultations, we should firmly carry out the principle of "letting a hundred flowers blossom and a hundred schools of thought contend." Not only should it be applied to the fields of science, technology, literature, and art, but it should also be applied to policy research. Not only should this principle be applied to natural sciences, but it should also be applied to social sciences. This principle should be made an unchangeable strategic principle for political life, ideological and theoretical work, and cultural development in our country, because it is a major embodiment of a high degree of socialist democracy. More than 30 years have passed since the principle was advanced, but for a long time in the past it was not implemented in its true sense. Moreover, it was once regarded as the so-called struggle tactic for "leading the snakes out of the hole." It was very pathetic. One of the major reasons for the failure to implement this principle is that in the past political questions were often understood as anti-party, antisocialist, and counterrevolutionary activities. This concept has brought many side effects. If this concept is not changed, the notion that the principle can only be applied to academic questions, not political ones, will again emerge. But we often find that the two types of questions are inseparable. Once a problem emerges, even if it is an academic one, it will eventually become a political problem, and then somebody has to take a beating. In fact, in many cases it is very difficult to separate academic and political questions. Comrade Wu Han caused his own destruction by writing the article "Hai Rui Was Dismissed From Office."

Is it, after all, an academic or political question? In policy research and policy decision research it is more difficult to separate academic studies from politics. Sometimes it is 30 percent academic studies and 70 percent politics, and sometimes it is 70 percent academic studies and 30 percent politics. In short, the two are difficult to separate. Therefore, the question lies not in separating academic questions from political ones; it lies in applying the double-hundred principle to both political questions and policy research itself. All political and policy questions should be studied, and they may be discussed and debated before decisions are made. We should not follow the past practice of elevating different opinions and views to the level of principle and of "surrounding and criticizing" the holders of those opinions and views. Since we are talking about policy decisions, we are required to make decisions under certain conditions. This should not be regarded as discussion of academic, ideological, and literary and art works related to physical and social sciences. In those areas, no decisions need to be made by leading departments. Any policy should go through these three processes, namely research, decision, and implementation. After the leading department has decided on a policy, it should then be implemented according to the decision. Should the researchers still have different opinions within a certain scope, they should be allowed to present and discuss their different opinions through proper channels, and the decision should be reexamined according to how it has been actually implemented. As far as our Constitution and other laws are concerned, they should, of course, be obeyed and implemented unquestioningly. Party members must also abide by party resolutions. Generally speaking, all the political principles prescribed in the Constitution, laws, and party resolutions have been proven correct by actual experiences over a long period of time. Nevertheless, should there be different opinions regarding some regulations in our Constitution, laws, and party resolutions within a certain scope, they should be presented for discussion through proper channels. Experiences show that such serious, practical research and discussions have served as an important base on which our Constitution, laws, and party resolutions can continue to be perfected, enriched, and developed. Besides serving the people wholeheartedly, our party does not have any other objective. Under our party's leadership, and after waging a protracted and arduous struggle, the Chinese people have overthrown imperialism, feudalism, and bureaucratic-capitalism, and eliminated class oppression and exploitation, and become emancipated and free people who are the masters of their new, democratic society. Then, how can there be a "high degree of democracy" if only the leaders, not the people, can express their different views on political matters? I think we should encourage the free airing of views and do away with speech bans so that the people can truly enjoy the freedom of speech prescribed in the Constitution. So long as we have correct leadership, an enlightened government, a harmonious society, and a prosperous economy, our large socialist country with 1 billion people will not collapse just because some people have said something unpleasant to hear, or because some people have tried to agitate others in order to achieve their ulterior motives on some issues. Chairman Mao once told the story about Xiang Yu the Conqueror [232-202 B.C.] bidding farewell to his most beloved concubine. He said: The sky will not fall if you let people speak; but if you do not, sooner or later you will have to give up what you cherish. These words have profound meaning. But they are easier to say than to follow. It was specifically on this issue that Chairman Mao made mistakes.

While we underscore the need to enforce the double-hundred principle and encourage free discussion, by no means do we mean that we can renounce the guidance of Marxist ideology. Basic Marxist theories are objective, universal truths. Soft science research should accept the guidance of Marxist thinking and methodology. This is beyond doubt. Actual experiences prove that the more knowledgeable one is in Marxist theories, the greater chance he will be able to do a better job in guiding research, or achieve better results in research.

Nevertheless, we should never rigidly apply general Marxist formulas on soft science research. Marxism is not a dogma or a bible, it is a guide for action, and it must also be constantly developed and enriched. By no means should we regard the many new theories and achievements accomplished by the people of this age as "sugarcoated bullets," or heresy, and reject them in the name of safeguarding the "purity" of Marxism. We should instead constantly enrich Marxist theories with things that have been examined and proven by actual experiences as genuinely scientific. Since soft science is a mixture of many branches of learning, some of its theories and methods certainly will supersede certain ready-made formulas found in Marxist classics. Thus, soft science research, which is based on highly developed economic and social prerequisites, as well as modern science and technology, should and certainly can further develop and enrich Marxist theories and methods, and push Marxism forward.

The development of soft science research requires appropriate material support. Since there is no regular budget for soft science research, it is still at the mercy of various quarters. In fact, soft science researchers resemble light cavalry who can produce highly effective results with limited resources. Instead of large laboratories and expensive equipment, they need only a small amount of money for reference materials, expedient expenses, fact-finding, and research. An appropriate and steady annual budget will satisfy their current needs. If the leading authorities of various departments and regions are really aware of the value and importance of soft science research, they will realize that the little amount of money they spend will bring them enormous returns. There are also the issues of reference materials and information. While our statistical departments have done a much better job in recent years, we must also realize that, because of various limitations, our statistical operation as a whole is still very poor. We still do not have systematic research or scientific statistical data or analysis of much social and economic information. The existing statistical materials, albeit highly incomplete, are more often than not controlled by some departments or local authorities, and thus they are not fully utilized. Leaders at all levels should attach great importance to this problem and take active measures to solve it. We must understand that there cannot possibly be any research if statistical information is not available. Had it not been for the large amounts of statistical information available at the British Museum, Marx could not possibly have written "Das Kapital" in those years when he was in Britain. The pressing tasks confronting us today are: To continue to set up and improve the various systems governing the handling of scientific-technological, economic and social statistics; establish various types of information and statistical services; improve our cipher and decipher systems; and do everything we can to provide all types of information and statistics, including any available information about other countries of the world, to whomever needs them, making such information the assets of the people throughout the country.

5. Promoting Soft Science Research to a New Level

Chinese soft Science researchers are confronted with an arduous task. They must set even higher demands for themselves, making sure that they work as courageous trail blazers in the modernization drive. Soft science researchers must adhere to a correct course, uphold the principle of integrating theory with practice, actively and consciously serve the nation's open policy and reforms, and support various major decisions on modernization.

Our country's modernization drive is forging ahead in all spheres, and our various reforms and exploratory projects are just unfolding. To build our country into a socialist society with distinctive Chinese characteristics, we are compelled to take a new course that has never been explored by our predecessors.

Confronting us are numerous major issues, such as how the state's political system should be restructured? What sort of measures should be adopted in opening to the outside world? How should the construction of democracy, discipline and law enforcement, and moral systems be carried out simultaneously with reforms? How should our industries be restructured? How can we achieve higher economic returns? What types of different strategies should be worked out for the development of different departments or regions, and what kinds of technical policies should be drawn up for various trades and professions? How should a pricing policy be drawn up? How should the labor system be improved? How should the population be controlled? How should the environment be protected? How should the mountainous areas be developed? How should construction projects be assessed? How should people's enthusiasm be aroused? How should personnel be trained and promoted? How should the changes in the social situation be handled? And how should we improve social, cultural, and moral standards? All these issues in real life require decisions, and thus they are pressing tasks for soft science research. Our soft science research must proceed from reality and begin with solving all types of practical issues. We hope that, after working hard for several years, we will be able to make soft science research more authoritative and gradually become a popular, socialized industry in the country; and that by that time, our decisionmaking capability will be significantly improved in the country.

In the study of soft science, we must also probe its theoretical basis and explore its methodology. This is something that we must not ignore. In addition, we must follow the trend of the times and continue to enrich and deepen our knowledge and create new theories and methods in the course of further exploring. However, the overwhelming majority of research institutions and personnel must concentrate their efforts on studying how to apply such science and make use of the limited manpower and material resources to tackle the most pressing issues in socialist construction.

In order to fulfill the heavy historic task assigned to us by the times, workers in the field of soft science must earnestly improve their own political and professional qualities. Soft science researchers must demonstrate a high sense of responsibility in the political field and a spirit of dedication to the revolutionary cause. In addition, they must acquire knowledge and accumulate experience in many fields. People who work in the field of physical sciences must study theories in social sciences, while those who work in the field of social sciences must broaden their knowledge in physical sciences. All of us must focus on experience and orient ourselves to serve the modernization program, the whole country and the world. Only by doing so, will it be possible for us to keep abreast of the times. In addition, soft science researchers also have marked abilities in observation and concentration including abilities to conduct analysis, summarize views, draw conclusions from objective facts and write. This kind of "all-round person" and "scholars who combine the various schools of thought" are often harder to train than people who are specialized in only one field. They have grown in the course of studying and focusing on experience over a protracted period. They are not people that are ready to assemble at first call or fill vacancies to make up a certain number. Therefore, in organizing researchers we must have strategic foresight. Various departments in charge of recruiting researchers must foster an overall concept and select candidates from a group of competent postgraduate students whose majors are in physical sciences or social sciences and who are recent graduates and to train them into a group of researchers capable of making overall decisions so that they will steadily grow on this basis into a mighty contingent of researchers.

The study of soft science is a comprehensive research system. All researchers must proceed from the overall interests of the state, carefully look ahead and behind, and make overall arrangements.

It cannot be denied that right now, various departments and regions are separated from each other administratively in China. Most research institutions belong directly to a department or region. Their views are invariably influenced, either consciously or unconsciously, by the interests of a particular department or region to which they belong. I am not saying that a department or region should not attach importance or pay attention to the gains or losses of their own department or region. After all, this is one of their responsibilities. However, the interests of the part must be subordinated to the interests of the whole, not vice versa. Workers in the field of soft science should raise their level of rationalization, consciously resist the forces of habit, and foster an honest, upright and rigorous style of study. They should take the overall interests of the state into consideration and refrain from getting involved in disputes and conflicts of interest that may possibly surface between one department and another. They must hold themselves responsible to the people and to history, take stock in the interests of the state, speak up impartially and act with a scientific spirit. Only by doing so are they worthy of the name qualified scientists.

This symposium was sponsored by the State Science and Technological Commission. Experts in all fields gathered together to exchange information and experiences, and jointly suggested ways and means for the development of soft science in China. This is really something that deserves congratulations. This symposium is greatly significant, because it will raise our awareness in effecting democratic and scientific policy decisions, and offer valuable suggestions to reform the concept, method and system in making policy decisions. I believe it will arouse the full attention of the whole part and all the people in the country. I hope, with the convocation of this symposium, we will be able to do a still better job in organizing the forces in all fields, coordinating with one another and forming a network, push the study of soft science to a new stage, and make still greater contributions to implement democratic and scientific policy decisions at all levels for the party and the state.

WAN LI VISITS KAZAK HERDSMEN IN XINJIANG

HK160227 Urumqi Xinjiang Regional Service in Mandarin 1200 GMT 15 Aug 86

[Excerpts] Wan Li, member of the Political Bureau of the CPC Central Committee and Vice Premier of the State Council, this morning went to (Baiyanggou) village in Urumqi County to see the Kazak herdsmen there and extend festal greetings. [passage omitted] He was accompanied by Jaing Hua, Yang Jingren, Wang Enmao, Ismail Amat, Li Menghua, Song Hanchang, Tomur Dawamat, and others. The Kazak herdsmen by the roadside gave them a warm welcome. [passage omitted]

WAN LI RECEIVES ANTI-EARTHQUAKE PARTICIPANTS

SK180342 Shijiazhuang Hebei Provincial Service in Mandarin 2200 GMT 1 Aug 86

[Text] The meeting to exchange experiences in combating earthquakes and preventing disasters, which marks the 10th anniversary of the Tangshan earthquake, and the Eighth National Anti-Earthquake Work Conference ended in Tangshan on the morning of 1 August after a 5-day session. Zhou Ganzhi, vice minister of urban construction and environmental protection, delivered a speech.

Since 1977, our country has made breakthroughs in combating earthquakes and preventing disasters, and has greatly enhanced the anti-earthquake abilities of the urban and rural areas. During the Seventh 5-Year Plan, we should give prominence to completing the plan reforms and the management systems related to anti-earthquake work, to instituting and improving the rules and regulations concerning anti-earthquake work, to solving key scientific and technological problems in anti-earthquake work, to accelerating the reinforcement of anti-earthquake facilities, and to the other tasks.

During the session, Wan Li, vice premier of the State Council; Ye Rutang, minister of urban construction and environmental protection; and Xie Feng, provincial governor, cordially received all participants to the meeting and the conference.

CENTRAL LEADERSHIP MOVES TO BEIDAIHE IN SUMMER

HK160616 Hong Kong WEN WEI PO in Chinese 15 Aug 86 p 1

[Report: "CPC Central Committee, State Council To Handle Official Business in Beidaihe in Summer"]

[Text] According to reports from Beijing, in the last 3 years, the CPC Central Committee and the State Council have been shifted to Beidaihe, a coastal resort east of Beijing, to handle official business in summer.

Premier Zhao Ziyang revealed this when he met with South African Bishop Desmond Tutu and his wife in Beidaihe yesterday afternoon. Zhao Ziyang said he was very glad to see Bishop Tutu in Beidaihe.

Tutu went to Beidaihe from Beijing yesterday afternoon by a special plane.

GU MU AT OPENING OF TIANJIN HYATT HOTEL

OW161358 Beijing XINHUA in English 1202 GMT 16 Aug 86

[Text] Tianjin, August 16 (XINHUA) -- The Hyatt Tianjin opened today, offering this port city's first luxury accommodations. Located in downtown Tianjin, the 20-story, 35 million U.S. dollar hotel is a joint venture between the Tianjin No 1 hotel, a joint venture between Tianjin and Lethia Limited of Hong Kong, and the U.S. Hyatt International Corporation. An affiliate of the Hyatt chain of the United States, the hotel was built in 22 months and has 700 beds. Rooms cost between 70 and 500 U.S. dollars a night. Seven of its dining rooms serve Chinese food from different regions, while other dining rooms specialize in Japanese and Western food. The hotel also offers international telephone connections with 20 countries and regions. The hotel manager, a citizen of the United States, is a former employee at the Hyatt International Corporation. Before the opening ceremony, Chinese State Councillor Gu Mu, one of the guests, met Bernd Chorenge, president of the Hyatt International Corporation.

"We have opened a number of big hotels in Beijing, Shanghai and Guangzhou, which are run by Chinese and foreign firms," Gu said. "I hope this hotel will compete with them and become top-grade in both management and service."

Gu said that China has set up more than 6,800 joint ventures and cooperative enterprises with foreign firms over the past few years and about half of them have been put into operation.

Generally speaking, he said, the completed joint ventures showed good economic performance although there have been problems during the period of construction and operation. He told Chorenge that the State Council has decided to set up a special committee to resolve these problems. Chorenge said that he is confident with the cooperation between his corporation and Tianjin. Mutual understanding between China and other countries is important in running joint ventures, he said.

RECEPTION HELD IN BEIJING ON MUSLIM FESTIVAL

OW161722 Beijing XINHUA in English 1414 GMT 16 Aug 86

[Text] Beijing, August 16 (XINHUA) -- Chinese Muslims hope to strengthen their ties and cooperation with Muslims all over the world and make common efforts to safeguard world peace and the happiness of mankind.

This remark was made by Ilias Shen Xiayi, vice-president of the China Islamic Association, at a reception held this evening to celebrate Corban, one of the two most important festivals for Muslims.

Shen said that the Chinese Muslims strongly condemn Israel's expansionism, firmly support the just struggle of the Arab and Palestinian people to regain their lost rights and territories, and firmly support the United Nations' efforts to convene an international conference for the solution of the Middle East issue with all parties concerned including the Palestine Liberation Organization.

He went on to say that the Chinese Muslims firmly support the just struggle of their Afghan brothers to maintain their national independence and fight against foreign invasion.

"We believe that through solid unity and unremitting struggle and international sympathy, the sublime destiny of the Arab, Palestinian and Afghan peoples and all Muslims will be realized," he said.

Kamal al-Hamud, Jordanian ambassador and representative of the diplomats from 34 Muslim countries attending the party also made a speech.

Vice-chairman of the national committee of the Chinese People's Political Consultative Conference Zhou Peiyuan, Zhao Puchu, Miao Yuntai and Lei Jieqiong, and more than 200 Chinese Muslims were present at today's reception.

Meanwhile, several thousand Muslims in Beijing attended religious services this morning at the 46 mosques in the city.

Dressed in their holiday best, they listened to readings from the Quran, exchanged holiday greetings and took part in the "animal-slaughtering" ceremony.

ANTIFLOOD WORK IN HEILONGJIANG PROVINCE

SK180430 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 17 Aug 86

[Excerpts] Entrusted by leading comrades of the State Council, Yang Zhenhuai, secretary general of the Central Flood Prevention Headquarters and vice minister of water resources and electric power, made a special trip to our province to guide the flood preventing fight and arrived in Harbin on the morning of 17 August.

He relayed the cordial regards sent to the Army and the people in Harbin and in Heilongjiang Province who are busily engaged in flood prevention and the fight by the leading comrades of the State Council.

On 17 August, Vice Minister Yang Zhenhuai inspected the Songhua Jiang grand dike in Harbin, accompanied by Want Lianzheng, vice governor, and Gong Benyan, mayor of Harbin City. [passage omitted]

Vice Minister Yang Zhenhuai heard a briefing on the flood prevention work carried out by the (Quantang) street neighborhood in Daowai District given by (Cai Anlin), secretary of the Daowai District party committee. He extended regards to the Army and the people participating in the flood prevention fight. [passage omitted]

FANG YI, YANG SHANGKUN INSPECT ALUMINUM PLANT

OW171221 Beijing Domestic Service in Mandarin 0600 GMT 15 Aug 86

[Text] Fang Yi, member of the Political Bureau of the CPC Central Committee and state councillor, and Yang Shangkun, member of the Political Bureau and permanent vice chairman of the Military Commission of the CPC Central Committee, inspected the Bohai Aluminum Corporation on separate occasions recently.

Comrade Fang Yi praised the work in launching the Bohai Aluminum Corporation project, completing its design and construction, and putting it into operation, which was all done within 1 year. He stressed: Our four modernizations program requires a large number of people with a pioneering spirit. They are not flawless, however. People with a pioneering spirit should have courage and be farsighted, pay attention to work methods, and learn how to unite with others and make concerted efforts to carry out reforms.

Comrade Yang Shangkun praised the Bohai Aluminum Corporation project for its comparatively small investment and quick results. In particular, he affirmed the project's significance in conserving foreign exchange and reducing imports after it is put into operation.

WANG ZHEN, LI GUIXIAN ADDRESS ANHUI CEREMONY

OW170939 Hefei Anhui Provincial Service in Mandarin 1000 GMT 16 Aug 86

[Excerpts] A bronze statue and a monument for Wang Jiaxiang, an outstanding CPC leader and great Marxist, have been completed in Wuhu city, where he carried out revolutionary activities as a student. A ceremony to unveil the statue was held on 15 August on the 80th anniversary of his birth.

Attending the ceremony were Wang Zhen, vice chairman of the Central Advisory Commission; Li Guixian, secretary of the provincial party committee; Du Ping, member of the Central Advisory Commission; Zhu Liang, director of the International Liaison Department of the CPC Central Committee; Wang Yuzhao, provincial governor; Wang Guangyu, chairman of the provincial People's Congress Standing Committee; Hou Yong, vice chairman of the provincial Advisory Commission; (Ren Yiming), former deputy director of the Central Propaganda Department; Zhu Nong, vice chairman of the provincial CPPCC Committee; (Wang Youming), deputy director of the Political Department of the Nanjing Military Region; (Zhang Jinghao), deputy commander of the provincial Military District; Zhu Zhongli, wife of Wang Jiaxiang; as well as party, government, and military leaders of Wuhu City. [passage omitted]

Comrade Wang Zhen spoke at the ceremony. He said: Entrusted by the party Central Committee, I have made a special trip to Wuhu to take part in the unveiling ceremony for Comrade Wang Jiaxiang's statue and to convey my fond memory of him. An outstanding CPC leader and a great Marxist, Comrade Wang Jiaxiang played an important role at the famous Zunyi conference in correcting the erroneous leadership of the left and in establishing Comrade Mao Zedong's leading position in the whole party and the whole Army. [passage omitted]

Li Guixian, secretary of the provincial party committee, also spoke. He said: Anhui was the hometown of Comrade Wang Jiaxiang. Thus, CPC and CYL members, cadres, and the masses throughout the province should all the more regard Wang Jiaxiang's revolutionary spirit and fine traditions as a valuable spiritual asset they should inherit. They should persistently implement the policy of making reforms, opening to the outside world, and stimulating the economy, and work harder to revitalize the Chinese nation, build up Anhui, and promote the two civilizations. [passage omitted]

JINAN MILITARY LEADERS CALL FOR SERVING SOCIETY

SK190718 Jinan DAZHONG RIBAO in Chinese 4 Aug 86 p 2

[Text] Recently the Jinan Military Region held a meeting of directors of logistics departments to especially discuss the issue of making the production and management of the Armed Forces cater to society and persistently serve the country and the people.

The logistics departments at all levels under the Jinan Military Region have consciously submitted themselves to the overall situation of economic construction and have persistently worked in serving the country and the people. While ensuring production and supply for the Armed Forces, these departments have tapped potentials for production. As of the end of June, the Jinan Military Region had established more than 10,000 permanent centers and facilities in serving the people the people and scored better social benefits.

At the meeting, 14 units introduced their experiences in making their production and management cater to and serve society. Attending the meeting were Li Jiulong, commander of the Jinan Military Region; Chi Haotian, political commissar of the Jinan Military Region; Gu Hui, deputy commander of the Military Region; Guo Fuzhou [6753 6534 0719], chief of staff of the headquarters; Xu Sheng, director of the Logistics Department; and Xu Chunyang, secretary of the Discipline Inspection Commission of the Military Region.

SHANDONG GOVERNOR ON BUILDING KEY PROJECTS

SK180946 Jinan Shandong Provincial Service in Mandarin 2200 GMT 17 Aug 86

[Text] When speaking at the provincial meeting on implementing plans for the construction of key projects during the Seventh 5-Year Plan, Governor Li Changan pointed out: In building key projects, we must take into account the demands of economic structural reform. The construction of key projects must be closely integrated with local interests so that we can turn the initiative of one trade into that of many trades at different levels.

Comrade Li Changan said: During the Seventh 5-Year Plan, we plan to build the key construction projects in two groups, with the first group being built in the first 3 years and the second group in the latter 2 years. During the first 3 years of the Seventh 5-Year Plan, we will concentrate our efforts on ensuring the completion and commission of projects left over from the Sixth 5-Year Plan, projects which have already been started, and the subsidiary items of the 300,000-ton ethylene project. In particular, we should concentrate on building the Weifang soda plant, the Jinan polyester fiber plant, and the Zibo acrylic fiber plant, and should strive to start the construction on schedule of those projects whose preparatory work has already been completed and whose conditions for beginning construction are ripe. The remaining projects will be built in the latter 2 years of the Seventh 5-Year Plan.

Governor Li Changan stressed: We should attend to building the key construction projects with a reformative spirit during the Seventh 5-Year Plan. In building these projects, we must attend to the following three issues. First, we should unite duties with rights and interests in order to fully stimulate the initiative of various fields. The sluggish development of some key construction projects in the preceding stage mainly resulted from the fact that the provincial authorities took on too many things and thus failed to mobilize the enthusiasm and initiative of various cities and prefectures. This situation is harmful to the construction of key projects. To stimulate the initiative of various fields, the province has decided that the funds the provincial authorities promised to allocate to enterprises should all be allocated. The tasks of making preparations, raising funds, and organizing construction work for key projects will be assigned to the prefectures and cities where the construction projects are located. These prefectures and cities should solve their problems in construction independently. Upon completion, these projects, except for those products subject to state unified distribution and allocation, should be arranged and sold by the cities and prefectures where these projects are located. In this way, we can truly combine duties with rights and interests.

Second, we should vigorously develop lateral cooperation and ensure the construction of the province's key projects with the efforts of the whole province.

The central cities with relatively heavy construction tasks should actively conduct lateral economic integration in the form of jointly building projects by dividing shares, transferring production of some general items and old products to town and township enterprises, or cooperating with fraternal cities and prefectures to build these projects. The central cities should concentrate their efforts on ensuring the construction of key projects and should undertake those processing items with higher levels.

Third, the provincial-level departments in charge of the affairs of various trades should more actively attend to coordination and service work. After transferring the key construction projects for the Seventh 5-Year Plan to various cities and prefectures, the duties of the provincial-level departments in charge of the affairs of various trades in terms of building key construction projects and managing professional work will become heavier, rather than being reduced. In line with the demands of giving consideration to the overall situation, organizing coordination voluntarily, each department assuming responsibilities for its own affairs, and serving the grass-roots units, various departments should extricate themselves from the viewpoint of only giving consideration to the partial interests of one's own department and should foster the viewpoint of giving consideration to the overall interests of all departments. Proceeding from the overall situation of the construction plans for key projects during the Seventh 5-Year Plan, all provincial-level departments concerned should actively and voluntarily develop their work and cooperate with the cities and prefectures where the key construction projects are located to commonly ensure the smooth implementation of the plans.

Comrade Li Changan also called on various localities to further strengthen control over the scale of investment in fixed assets, and to reduce extra-budgetary projects. He said: If we exercise control only over the budgetary projects but not the extra-budgetary ones, we will be unable to control the scale of investment, to successfully readjust the investment structure, and to ensure the construction of key projects.

ZHEJIANG'S WANG FANG ON IDEOLOGICAL EDUCATION

OW141248 Hangzhou ZHEJIANG RIBAO in Chinese 6 Aug p 1

[Dispatch by Li Xuegui]

[Excerpt] Wang Fang, secretary of the Zhejiang Provincial CPC Committee, on the morning of 5 August met with Comrades Li Yanjie, Qu Xiao, and Liu Ji [no further identification], who were attending a youth ideological education symposium in Hangzhou. Wang Fang discussed with them ideological education for youth in the course of opening to the outside world and carrying out reform. Luo Dong, member of the Standing Committee and director of the Propaganda Department of the provincial party committee, was present at the meeting.

Wang Fang expressed his warm welcome to the visit by the three comrades to Zhejiang. He said: With the further development of reform and the commodity economy, many new questions in ideological education need exploration. Ideological education should promote economic development and reform. Many outmoded concepts should be renewed. If we continue to use outmoded concepts to judge things, many things will not look right to us. Outmoded concepts are detrimental to economic development and to building the two civilizations. [passage omitted]

GUANGDONG LEADERS ATTEND AFFORESTATION MEETING

HK150736 Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 13 Aug 86

[Text] Between 11 and 16 August, the provincial meeting of county CPC Committee secretaries was held in Dongguan City. Provincial CPC Committee Secretary Lin Ruo and Governor Ye Xuanping presided over the meeting. The meeting was also presented by directors of county forestry bureaus.

The major contents of the meeting was first, to further heighten the understanding of the leadership at various levels on the importance of afforestation, and second, to greatly develop forestry for exploiting resources so as to promote the development of rural economy.

Recently, some people reached a conclusion that people's initiative, which was promoted by the agricultural system of contracted responsibilities with payment linked to output, has now almost come to a halt. Agriculture had to be further developed, and only when we invested more funds could this be achieved.

Judging from the province's typical cases of agricultural development, however, there is still plenty of room for further agricultural development. It is precisely the aim of the meeting that we should heighten the understanding of county CPC Committee secretaries on the importance of greatly developing agriculture for exploiting resources.

On the first 2 days of the meeting, the participating comrades visited with full zest sites of afforestation and developing agriculture for exploiting resources at (Dalang), (Changping), and (Huangjiang) in Dongguan City.

PEOPLE'S BANK OF CHINA APPROVES SHEKOU BANK

HK190135 Hong Kong HONGKONG STANDARD in English 19 Aug 86 Business Standard p 1

[By Eva Tox]

[Text] China Merchants Steam Navigation (CMSN) has secured the consent of the People's Bank (PBOC) -- the country's central bank -- to set up a commercial bank in Shekou, Shenzhen Special Economic Zone.

A formal announcement of the decision is expected today.

CMSN is believed to be the first bank in China owned by an enterprise, rather than being under the direct leadership of the country's central bank.

Such a move seems to be very much in line with the country's general policy of supporting such initiatives of enterprises instead of the previously rigid dependency on central leadership.

Once the trend is set, more such endeavours may be forthcoming.

Another high-powered Chinese enterprise, China International Trust and Investment Corporation (CITIC), has also applied for a bank licence in China and is still awaiting approval from PBOC.

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PRC REGIONAL AFFAIRS
CENTRAL-SOUTH REGION

Both CITIC and CMSN recently broke ground in the banking field with rescue bids for two ailing publicly-listed banks in Hong Kong.

CITIC secured 92 percent of Ka Wah Bank, while CMSN already holds 61.3 percent in Union Bank and is extending an offer to raise that level.

Recent developments appear to indicate that such enterprises want to set up their own banking arms -- both within and outside China -- as a means to make their own operations more integrated and self-contained.

A CMSN spokesman told Business Standard yesterday that the name of the Shekou bank is yet to be finalised, although it will carry very clear identification as a "China merchant" bank.

CMSN looks determined in its commitment to push Shekou toward success, despite the fact the zone has suffered from an investment slowdown this year -- apparently resulting from the squeeze of development funds from Beijing.

GUANGXI ISSUES CIRCULAR ON RATIONAL LAND USE

HK180724 Nanning Guangxi Regional Service in Mandarin 1000 GMT 16 Aug 86

[Text] The regional people's government recently issued a circular on severely punishing those who occupy urban or rural land or who build houses without authorization. The circular pointed out: Over the years, the region's situation of occupying urban and rural land, as well as building houses without authorization has been very serious. Not only has this resulted in adverse effects for our production but it has also corrupted the mind of some cadres and people. This year, various localities conducted comprehensive work in investigating and dealing with these cases. Judging from the cases investigated, the situation is quite complicated. When handling this issue, we must follow the principle of seriously dealing with the cases while making judgements based on each individual case. While guarding the sanctity of the law, we must focus on educating people as well as stability and unity.

In the course of handling the cases, we should deeply impress the people with the national policy of cherishing and rationally using every inch of land, thereby promoting the building of the two civilizations.

The circular states clearly the deadline for eliminating acts of occupying land for nonagricultural use, as well as guidelines for handling organs and units which violate regulations on acquiring land for construction and individuals and units which engage in land sales and rent charges. Guidelines are included on the way to handle the building concerned. It also states the guidelines for dealing with those who practice fraud under the name of organs or units and distribute the illegally occupied land to individuals for building houses, and those who occupy the state's and collective's land by force for building their houses. There is also a guideline for handling cases in which cadres and workers violate the laws and regulations on building their houses. The circular also states guidelines for retired cadres' building of houses, peasants' building of houses in towns, handling township buildings which are illegally built, handling highway buildings which are illegally built, handling peasants' houses built on contracted farmland and their farmland, handling acts of embezzling land compensation funds, and methods of punishment.

The circular stresses that various localities must strengthen their leadership and seriously do well in ideological work. The departments concerned, particularly the judicial and public security organs, must make coordinated efforts to ensure the smooth progress of the work.

YANG XIZONG AT HENAN LECTURE ON LEGAL KNOWLEDGE

HK151246 Zhengzhou Henan Provincial Service in Mandarin 1300 GMT 14 Aug 86

[Text] A lecture series on legal knowledge for leading cadres at the provincial level of our province opened in the north conference room of the Henan People's Hall yesterday. Liu Zhengwei, deputy secretary of the provincial CPC Committee, presided over the first lecture. (Sun Guohua), professor of the Department of Law of the China People's University, gave a lecture on the nature and functions of law to some 50 leading comrades of 6 large units, comprising the provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, the provincial CPPCC Committee, and the Henan Military District. The lecture series to popularize law among leading cadres at the provincial level of our province includes seven lectures, one each month. The method adopted is that guidance is given in a concentrated way, theory is linked with practice, self-study and discussion is carried out, and finally an examination is conducted. During the period of the course, leading cadres at the provincial level must complete study of the fundamental theory of law, constitutional law, criminal law, relevant economic laws and regulations, the general principles of civil law, relevant laws and regulations on foreign affairs, and relevant laws and regulations on the organizations of the state.

At the conclusion of the lecture, Yang Xizong, secretary of the provincial CPC Committee, spoke. On behalf of all comrades attending the lecture, he extended heartfelt thanks to Professor (Sun). He said: The comrades attending the course shoulder fairly important duties. Our taking the lead in studying and knowing law and acting in accordance with the law will play an important part in further carrying forward socialist democracy and putting the socialist legal system on a sound basis and will further bring along leaders at all levels, cadres, and the masses throughout the province to study and apply law and to act according to the law. At the same time, if the leading cadres present study and know law and obey the law, they will do their work still better and promote the building of socialist material and spiritual civilization in our province. Comrade Yang Xizong hoped that in the light of reality, they all would unrelentingly and seriously study and really learn how to act according to the law.

HUNAN LEADER AT PUBLIC SECURITY UNIT CONTEST

HK160601 Changsha Hunan Provincial Service in Mandarin 2200 GMT 15 Aug 86

[Text] The provincial public security mobile patrol and detection units held their first contest of skills at the Changsha armed police command school on 15 August. Mao Zhiyong, secretary of the provincial party committee, watched the contest and met all the contestants and work personnel. He urged them to make more contributions to bringing about a fundamental turn for the better in public order in the province. The public security mobile patrol and detection units in Hunan have been recently established in accordance with public security work requirements. They are a special force for dealing with serious violent crimes. As a result of strict training in the past 2 years, the professional qualities of this force have been greatly enhanced.

SICHUAN LEADERS ON POLITICAL STRUCTURAL REFORM

HK180431 Chengdu SICHUAN RIBAO in Chinese 2 Aug 86 pp 1, 4

[Report: "Reform of the Political Structure Is Imperative -- Some Guanghan County Cadres Discuss Importance and Necessity of Political Structural Reform in Connection with the Practice of Reform in the Past Few Years"]

[Text] The SICHUAN RIBAO editorial board recently invited some responsible persons concerned of the Guanghan County CPC Committee and government and managers and directors of a number of state-owned and collective enterprises to a forum to discuss the question of political structural reform.

Guanghan was Sichuan's first pilot project country in comprehensive structural reform in the rural areas. In the course of 8 years' practice of reform, they have carried out various reforms including streamlining the organs, separating party and government functions, instituting the plant manager responsibility systems, restoring the townships in the rural areas, and so on. By this means they have improved and perfected some production relations that were unsuited to the development of the productive forces. Citing their practice in reform, the comrades attending the forum aired their views on the importance and necessity of political structural reform.

Hu Shuncaï, deputy director of the county Planning and Economic Commission, said that in order to press forward with the county's economic structural reforms, in 1984 we amalgamated five functional organs of county government -- the Planning Commission, Economic Commission, Agricultural Office, Finance Office, and Industry and Communications Department -- and set up a county Planning and Economic Commission. As the economy developed, in order to strengthen management over various trades and sectors, we later established under this commission an agricultural committee and six large companies covering construction, construction materials, foodstuff development, rapeseed development, the light and chemical industries, and the machine-building, metallurgical, and electronics industries. This helped to bring into full play the role of the government's functional departments in planning, coordinating, serving and supervising economic work in the whole country. In addition the number of cadres was reduced and work efficiency improved. Following the reforms in the county planning and economic commission, the number of sections was reduced from 11 to 5 and the number of administrative cadres from 119 to 29. This included a reduction from 15 to 9 in the number of directors and deputy directors and a reduction from 22 to 11 in the number of section chiefs and deputies. With the number of personnel reduced, the cadres went out to solve problems on the spot and there was a decline in the previous practices of arguing to and fro and kicking the football around. Comrade Hu Shuncaï said: However, due to the fact that we established a county Planning and Economic commission, which was different from the organs established at higher levels, it was impossible to dovetail the work in the upper and lower levels, and an irritating situation of "four excessives" appeared in the county: excessive phone calls, documents, meetings, and form-filling. Comrade Hu Shuncaï said with deep feeling: The upper and lower levels should act in concert to carry out political structural reform, otherwise, if the lower level moves while the upper does not, the more reforms are carried out, the more passive will our position be.

On the question of how to carry out political structural reforms, the participating comrades held discussions by reviewing the reforms in the county over the past few years. In 1982, acting on the principle of streamlining the organs and reducing the number of cardinal links, the county cut the number of departments, commissions and bureaus from 59 to 36. Some were abolished and some amalgamated. Some of the bureaus were turned into administrative companies (stations). For instance, the county Material Supply Bureau was changed into the county Material Supply Company, the Animal Husbandry Bureau was changed into the Animal Husbandry and Veterinary Service Company, and the Broadcasting Bureau became the Broadcasting Station. Although as a result of these changes, the number of bureaus was reduced and new signboards were hoisted, there was not reduction in the number of links in the middle. Many difficulties ensued because the structure of only the county-level organs was changed, while the structure above the county-level remained unchanged. Li Zhuming, manager of the county Material Supply Bureau, said that this bureau was originally responsible for balancing material supply and demand in the whole county, and it was an important functional department of the county government. After it had been changed into an administrative company, a situation of a company managing other companies appeared, since the county material supply company took over responsibility for seven operational companies originally subordinate to the material supply bureau. These companies included the mechanical and electrical, metallurgical, chemical, and building materials companies. As a result, there was no separation of government and enterprise; the company's personnel were not acknowledged when they went out on liaison work or attended meetings at the upper-level responsible bureau; and even the capital and materials due to the company were cut off.

All the participating comrades at the forum said that structural reform is not done just for the sake of changing signboards, nor is it simply a matter of abolishing and amalgamating a number of departments; the main purpose is to streamline the administration and delegate powers. The readjustments and changes of the functions of government organs and the work of harmonizing and perfecting the administrative set up should be centered on economic work.

"Economic structural reform cannot succeed if only economic structural reform is pursued without political structural reform." This was the profound feeling of a number of enterprise managers. Pan Yunfang, member of the Guanghan county plastic plant, said that it is difficult to be a plant manager and even more difficult to manage a collective-ownership enterprise. She said, our plant ranks in stands in the front rank of the No 2 light industry system whole province as regards economic results and the size of contribution to the state. However, because ours is a collective-ownership plant, we have encountered major bottlenecks in developing production. She said with emotion that although the enterprise has not instituted the manager responsibility system, the plant's invigoration is hampered by the large number of upper-level organs and administrative tiers, and the plant manager can hardly exercise her powers. The managers of the county nitrogenous fertilizer plant and wine factory both said that political structural reform should be carried out in a matching way with economic structural reform and it should also create a relaxed environment for economic structural reform; only thus can the development of the productive forces be stimulated. As the enterprises' lateral economic ties become increasingly lively, management of the enterprises by economic measures should be stepped up and administrative intervention should be reduced.

Discussing the question of what organs and how many personnel are needed, Ye Wenzhi, secretary of the county party committee, Zhang Zuze, director of the committee's General Office, and Xia Mingxu, director of the county Personnel Bureau, said: Guanghan County has tried a number of reforms in this respect. The county authorities have established a "three fixed" method of fixing the organs, personnel, and expenditure. We have also encouraged the cadres to go to work in the townships and towns and the enterprises there. Since this reform was carried out, more than 50 departmental and bureau cadres have gone to work in the townships and towns. There have indeed been reductions in the number of organs and personnel required, since areas, population, and economic growth rate vary from place to place. Hence it is essential to proceed from reality when deciding how many organs and personnel are needed.

XIZANG HOLDS NEWS BRIEFING ON SOCIAL ORDER

HK150806 Lhasa Xizang Regional Service in Mandarin 1130 GMT 12 Aug 86

[Excerpts] On the morning of 11 August, the regional Public Security Department held a news briefing to report on the current social order of our region and to put forward several aspects of work which should be grasped well in the second half of the year.

In his speech, a responsible person of the General Office of the regional Public Security Department said: Social order in our region is now relatively stable. [passage omitted containing indistinct portions]

The number of criminal cases in rural and pastoral areas is small. Social order of some 80 percent of rural and pastoral areas in the first half of the year was stable and no cases of [words indistinct] occurred in a fairly large number of counties. [passage omitted]

After summing up the achievements scored in social order in the first half of the year, this responsible person pointed out: We must see that many problems now still exist in the aspect of social order of our region. The problem of juvenile delinquency has not been solved very well. Social order in urban areas and [words indistinct] is still not stable. Criminal cases and cases of [words indistinct] are more than in the same period last year. In particular, enterprises and institutions have many problems of internal social order. Important cases that produce big effects and cause serious harm have frequently occurred. We must therefore lay stress on grasping well the following several aspects of work in the second half of the year:

1. It is necessary to continuously crack down on serious criminals and serious economic criminals according to the law. We must mainly and firmly grasp the struggle against larceny. [passage omitted]
2. It is essential to resolutely implement the measures for comprehensive management.

3. It is imperative to strengthen grass-roots fundamental work and all aspects of work. We must mainly grasp well the management of floating population, scattered population, and public and amusement places. [passage omitted]

4. We must do well in grasping [words indistinct] and in building the ranks. We must establish the concept that public security work must be subordinate to and serve reform. We must conduct education in the nature and aim of a public security organ, in professional ethics, in discipline, and in duty for public security cadres and policemen. [passage omitted]

TRADE MINISTRY WORK GROUP VISITS XIZANG

HK180159 Lhasa Xizang Regional Service in Mandarin 1130 GMT 17 Aug 86

[Text] A work group headed by Zheng Tuobin, minister of foreign economic relations and trade, arrived in Lhasa on 16 August. In the afternoon of that day, Wu Junghua, secretary of the regional party committee, Doje Cering, chairman of the regional people's government, and other leading comrades including Basang, Mao Rubai, Tudao Doje, and Gong Daxi called on the group in the Lhasa Hotel, where it is staying, to welcome them in coming to the region to inspect its foreign economic relations and trade work.

This visit is being made in accordance with the series of central principles and policies for construction in Xizang and the instructions of leading central comrades on work in Xizang. It aims to investigate and study major issues in strengthening Xizang's foreign economic relations and trade cooperation, developing and expanding its foreign trade, supporting and building up production and circulation for Xizang's economy and trade, and invigorating the region's economy, and thus building a united, affluent, and civilized new socialist Xizang.

XIZANG LEADERS ATTEND SPORTS MEET OPENING

HK181201 Lhasa Xizang Regional Service in Mandarin 1130 GMT 15 Aug 86

[Excerpts] The fifth Xizang regional sports meet is taking place in the Xizang Gymnasium in the northern suburbs of Lhasa. It is 15 August today. [passage omitted] Several thousand spectators gathered in the large hall of the gymnasium ablaze with lights, [passage omitted]

Seated at the rostrum were responsible comrades of the regional party government, and Army, including Wu Jinghua, Pagbalha Geleg Namgya, Doje Cering, Mao Rubai, Gyaninacin Norbu, Niu Ruizhou, Hou Jie, Cao Xu, Jiangzhong Zhaxiduoji, Langjie, Samding Doje, Pamo, Jyamco, Tudao Doje, and Zhou Yangyu, and responsible comrades of the regional CPPCC Committee and Lhasa City. [passage omitted]

(Li Fa), vice chairman of the fifth Xizang regional sports meet Organization Committee and secretary of the regional Physical Culture and Sports Commission, announced the opening of the meet. [passage omitted]

Tudao Doje, chairman of the meet's Organization Committee and vice chairman of the regional people's government, delivered the opening speech. [passage omitted]

Eighteen units, including Xizang Military District and Xizang regional CPPCC Committee, presented silk banners to this 1986 sports meet. [passage omitted]

XIZANG HOLDS PARTY SCHOOL PREPARATORY COURSE

HK180201 Lhasa Xizang Regional Service in Mandarin 1130 GMT 17 Aug 86

[Excerpts] A ceremony to mark the opening of the preparatory course for Tibetan cadres for attending the Central Party School was held at the regional Party School on 15 August. Basang and Dangzin, deputy secretaries of the regional party committee, made speeches. (Chang Yunqin), director of the course, was present.

This preparatory course is being held in accordance with a decision of the regional party committee. The regional Party School has been commissioned by the Central Party School to run it. Students will study culture for 1 year in the school, and the outstanding ones will then be selected to attend the Central Party School to study theory. The rest will remain at the regional Party School to continue their studies there.

Basang pointed out in a speech: The central authorities are especially concerned for the training of cadres in Xizang. The Central Party School is specially holding a Xizang course. We are very fortunate to have such a study opportunity. I hope the participants in the preparatory course will have the sense of urgency and mission of studying for the sake of building up and invigorating Xizang. [passage omitted]

Dangzin said: At present we must lay particular stress on study of the Tibetan language. We should understand our own cultural traditions. As cadres of the local nationality, we should have a high degree of nationality self-respect. The world today has entered a new era. Science and technology are forging ahead in great strides. Our country is in a new period of history. He urged the participants to cherish their precious study time, strengthen their sense of urgency regarding study, face the future, and be bold to scale lofty peaks.

YUNNAN REPORTS INDUSTRIAL PROGRESS, PROBLEMS

HK170257 Kunming Provincial Service in Mandarin 2200 GMT 16 Aug 86

[Text] According to statistics from the departments concerned, total output value of Yunnan's industry in the first half of the year rose by 5.7 percent over the same period last year. Sales income of state-owned industries included in the budget rose by 9.9 percent. Profit and tax rose by 6.7 percent and profit and tax turned over to the state increased by 10 percent. Production safety took some turn for the better.

The deficiencies during the period were: Product quality was rather low. Only 50 out of 92 quality indices examined showed improvements compared with the same period last year. In addition, 26 out of 48 indices for raw material and fuel consumption showed increases. Production costs in some enterprises rose, more capital was consumed, and the circulation of capital slowed down.

The departments concerned have pointed out that in order to improve economic results in industrial production, all enterprises must regard improving product quality and reducing input consumption as the cardinal links in economic work in the second half of the year. It is also necessary to strengthen the enterprises' digestive capacity and improve the situation regarding the use of capital.

BEIJING CPC PLENARY SESSIONS REPORTED

7th Plenary Session

SK190652 Beijing BEIJING RIBAO in Chinese 7 Aug 86 p 1

[Text] On 6 August the Fifth Beijing Municipal CPC Committee held its Seventh Plenary Session, which adopted a decision on convening the enlarged plenum of the municipal party committee on 8 August.

8th Plenary Session

SK190705 Beijing BEIJING RIBAO in Chinese 10 Aug 86 p 1

[Text] From 8 to 9 August the Fifth Beijing Municipal CPC Committee held its Eighth Enlarged Plenary Session to readjust and elect supplementary and alternate members of the municipal party committee and members of the municipal Advisory and Discipline Inspection Commissions.

Attending the session were leading comrades of the municipal party committee, the municipal Advisory Commission, the municipal Discipline Inspection Commission, the municipal People's Congress Standing Committee, and the Municipal CPPCC Committee, including Li Ximing, Chen Xitong, Jiao Ruoyu, Zhao Pengfei, Ye Zilong, Bai Jiefu, Jin Jian, Xu Weicheng, Wang Jialiu, Wang Guang, Li Qiyan, Zhang Mingyi, Han Boping, Li Guang, Chen Yuan, Wang Lixing, and Meng Zhiyuan.

Also attending the session were members and alternate members of the municipal party committee, the municipal Advisory Commission, and the municipal Discipline Inspection Commission; members and alternate members of the party Central Committee who are currently in Beijing; members of the Central Advisory Commission and the Central Discipline Inspection Commission; party-member leading cadres from the leading organs of the municipal People's Congress, the municipal people's government, and the municipal CPPCC Committee; and principal responsible personnel from the departments, commissions, and offices of the municipal party committee and the municipal people's government, from the leading party members' groups of the mass organizations, from various districts, counties, bureaus, and general companies, and from the party committees and the leading party members' groups of the higher educational institutions and municipal-level units.

Li Ximing, secretary of the municipal party committee, presided over and addressed the session. In his speech he stated: The Fifth Beijing Municipal CPC Committee, the Beijing Municipal Advisory Commission, and the Beijing Municipal Discipline Inspection Commission were elected at the fifth municipal party congress held in November 1982. At present, some comrades of the municipal party committee and the municipal commissions have surpassed the age limitation set forth by the party Central Committee for job tenures. Some have been on convalescence leave and a large number of veteran comrades have asked in succession to retire. Some comrades have left Beijing for other places because of the transfer of their work, and some have died. Therefore, the municipal party committee and the two municipal commissions should be supplied with supplementary members. This has a vital bearing on fulfilling the task of further replacing old cadres with new ones among the municipal leading party organs. In line with the provisions of the party Constitution and the spirit of the directives issued by the central authorities, we convene the (enlarged) plenary session to readjust and elect supplementary members in order to fill the vacant posts.

In his speech, Li Ximing extended great respect to these veteran comrades who had actively made up their minds to retire from the municipal party committee and the two municipal commissions. He stated: These veteran comrades have scored marked achievements during the long period of democratic revolution, socialist revolution, and socialist construction, and in the collective endeavor to create a new situation in the municipal program of building socialist modernization. Now, they have also played a model role in ending life-long tenure in leading posts and replacing old cadres with younger ones in the municipal leading body, and have made new contributions to the party in this regard. Li Ximing urged the party organizations at all levels to show full respect in politics to these retired veteran comrades, to assuredly provide the original living conditions for them in line with the provisions concerned, and to enable them to happily spend their retired veteran comrades to continuously show their concern for the municipal programs of building material and spiritual civilizations, democracy, and legal systems, and to suggest ways and means for the municipal drive to conduct reforms and to develop undertakings in various fields.

At the session, Jin Jian, deputy secretary of the municipal party committee, delivered a report to explain the principle of and candidate namelist for readjusting and electing supplementary and alternate members of the municipal party committee and the members of the municipal Advisory and Discipline Inspection Commissions.

Through a secret ballot, the participating members at the session elected 7 supplementary members and 3 alternate members of the municipal party committee, 23 members of the municipal Advisory Commission, and 6 members of the municipal Discipline Inspection Commission.

Following the election, the municipal Advisory Commission held a plenum to elect a chairman, vice chairmen, and Standing Committee members of the commission. The enlarged plenary session of the municipal party committee also approved the namelist of the elected chairman, vice chairmen, and standing committee members of the municipal Advisory Commission.

XING CHONGZHI VISITS HEBEI FARMER'S VILLAGE

SK190029 Shijiazhuang HEBEI RIBAO in Chinese 3 Aug 86 p 1

[Text] On the afternoon of 26 July, a car occupied by Xing Chongzhi, secretary of the provincial party committee, arrived in Shashiyu Village surrounded by hills in Zhunhua county. He was there to visit the village of Zhang Guishun, a national level model farmer.

Zhang Guishun has won the title operational level model farmer since 1950's. By displaying the spirit of a foolish old man who moved the mountains, he has led villagers to change the backward outlook of the village and has enabled it to become an advance unit in the country. Upon meeting the secretary of the provincial party committee, Zhang Guishun, still full of vigor at 74, talked on and on in a flow of intimate words while holding the secretary's hands.

When Xing Chongzhi inquired about his health and the village's situation, Zhang Guishun pointed to apples on the office desk and said with a smile: "These apples are the product of our orchards from which Shashiyu Village has made a fortune over the past few years. In 1985 the village's per capita income totaled more than 1,000 yuan and incomes earned from fruit production reached 350,000 yuan. The total output of grain was much higher than in the past.

Xing Chongzhi asked: "What are the current problems of rural villages?"

Zhang Guishun said after contemplating: "I believe the masses who have become wealthy are no longer as obedient as they were in the past and their enthusiasm to develop production is not greater than after the period during which the responsibility system was enforced. Therefore, efforts should be made to adopt good measures to encourage the masses to vigorously heighten their spirit."

Xing Chongzhi smilingly said: "You are right! To deal with this, what are your opinions?"

After glimpsing Yan Fuzhong, secretary of the village party branch, who was standing beside him, Zhang Guishun said: "I think it is necessary to depend on the party branch and the party members to deal with this problem. I am old and retired from my post in 1983. The party branch has done a great number of good deeds for the village over the past few years. It is very adequate and possible for our village to hold a mass meeting to discuss measures to deal with this problem. All development programs, such as planting grape vines and fruit trees and operating plants, should be carried out under the leadership of the party branch. Therefore, only by doing good deeds for the masses and rendering services to the masses will the party branch certainly be supported or endorsed by the masses."

Then, Zhang Guishun told Xing Chongzhi that a system of having party members assume responsibility has been enforced over the past few years, during which each of more than 50 party members in the village has in charge of 4 households. In this way, all measures known to the party members can be directly relayed by them to every household. Only by having party members take the lead in work can the village do everything smoothly.

Zhang Guishun also said, "We often studied measures to further enhance the enthusiasm of the masses over the past 2 years. In 1986 we will try to conduct specialized operations and businesses, such as the specialized task of planting grape vines, cultivating farmland, breeding crops, and raising animals." Xing Chongzhi said, "It is all right for us to centralize our tasks. However, it is imperative to uphold a voluntary principle and do a good job in carrying out our tasks."

When Xing Chongzhi inquired as to his opinions on their work done by his higher authorities, Zhang Guishun said: "Our party has suffered great losses from telling lies and indulging in empty talk in the past. It has gone better in this regard over recent years. However, the party style at present lags far behind that of the 1950's. We, being the personnel in charge of grassroots level work, always wish our higher authorities to refrain from telling lies and indulging in empty talk and even from believing in such lies and talk."

Xing Chongzhi repeatedly said: "Such an opinion is good."

At dusk Xing Chongzhi, accompanied by Zhang Guishun, went out of the village along a narrow road between grape orchards and green fields of various crops. They found the entire village, which appeared to be a mid-summer picture in which orchards at the foot of mountains and fruit trees on the slope of mountains are full of life, standing in sharp relief against the red ears of the corn crop. Pointing to the orchard on a slope, Zhang Guishun said: "The highest per mu yield of the orchard reached 7,000 jin. In 1987 we plan to continuously push forward the program of planting fruit trees. After several years, every villager will own 100 fruit trees, every tree will produce 100 jin of fruit, per capita income will reach 2,000 yuan, and every household with five family members will have an income of 10,000 yuan. The village will reach the well-off standard, if we conduct the additional programs of operating village-owned enterprises, plants, and mines, and of opening some farms breeding saplings!"

Zhang Guishun's idea on future development was repeatedly praised by the secretary of the provincial party committee. Upon his departure, Xing Chongzhi wittily said while holding the hand of Zhang Guishun: "You have made new contributions, even though you are an old model farmer. We greatly appreciate your new ideas and wish you good health."

HEBEI ON CONSOLIDATING INDUSTRIAL BUILDING MARKET

SK180210 Shijiazhuang Hebei Provincial Service in Mandarin 2200 GMT 1 Aug 86

[Text] The provincial urban and rural construction and environmental protection department recently called for continued efforts to strengthen and consolidate the province's industrial building market, with the focus on correcting the unhealthy trends of contracting for projects and economic crimes.

Since the building trade of our province carried out reform, the industrial building market has thrived, and the monopoly by urban state enterprises has been eliminated. However, due to the rapid increase in construction workers, and a failure to effect timely management, some chaotic phenomena emerged in the industrial building market. Some people pursued selfish gain in the name of carrying out reform. Some designing units drew designs which exceeded the prescribed standards or budgetary estimates, and subcontracted the designing tasks to unlicensed units or individuals. Some construction units sought quantity and output value at the expense of construction quality and social benefit. At the same time, unlicensed designing and construction was not unusual. These problems have directly affected the economic results of construction and enterprises. In the first half of this year, more than one-third of the collective enterprises at and above the county level throughout the province suffered deficits, which totaled 1.54 million yuan.

Since early this year when arrangements were made to consolidate the industrial building market, all prefectures and cities have taken action, and achieved certain results. Handan City ferreted out 66 unlicensed construction teams, and 11 illegal subcontracted projects in April. Consolidating the market and correcting unhealthy trends simultaneously, Gucheng County of Hengshui Prefecture combined 143 town and township construction teams into 21, thus upgrading their equipment and technical forces. In early July, the leading provincial group for consolidating the industrial building market called on all localities to further strengthen leadership and continue the consolidation of the industrial building market with the focus on correcting unhealthy trends in contracting for projects, and dealing blows to economic crimes.

SHENYANG PLA COMMANDER INSPECTS LIAONING FLOODING

SK190258 Shenyang LIAONING RIBAO in Chinese 6 Aug 86 p 1

[Text] Leading comrades of the Shenyang Military Region paid great attention to the floods in Sanjiangkou and other areas of our province. On 4 and 5 August, Commander Liu Jingsong, Deputy Commander Zhu Dunfa, and Chief of Staff Li Haibo inspected the flood situation in Sanjiangkou, Liaozhong, Xinmin, Panjin, Taian, and Tangmazhai by helicopter on three occasions. They worked out plans for units of the military region to assist our province's antiflood and emergency rescue work, providing great support to it.

Thus far, more than 4,300 soldiers have participated in Liaoning's antiflood and emergency rescue work. Commander Liu Jingsong wound up his inspection tours in other areas ahead of schedule and came to inspect the flood situation in Sanjiangkou area by helicopter. To conquer the forthcoming flood peaks of Liao He, Hun He, and Taizi He, leading comrades of the military region issued instructions to units stationed in our province on the afternoon of 5 August urging them to make good preparations for the antiflood of 5 August urging them to make good preparations for the antiflood and emergency rescue work, to strengthen contacts with local antiflood departments, and to be ready to go to the forefront of the antiflood and emergency rescue work at any time.

QUAN SHUREN ATTENDS LIAONING ANTIFLOOD CONFERENCE

SK190508 Shenyang LIAONING RIBAO in Chinese 6 Aug 86 p 1

[Excerpts] It is high time that we carry out the antiflood and rescue work since the province is confronting a major flood season. On the evening of 5 August, the provincial party committee and the provincial government held an emergency telephone conference on flood prevention and rescue work, calling on servicemen and civilians to be firmly determined to capture an overall success in the antiflood and rescue work.

Attending the conference were Quan Shuren, secretary of the provincial party committee; Sun Qi, deputy secretary of the provincial party committee; Feng Yousong, vice chairman of the provincial People's Congress Standing Committee; and responsible comrades of the provincial Military District. On behalf of the provincial party committee of the provincial party committee, vice governor of the province, and chief commander of the provincial flood prevention headquarters, made further arrangements for the province's antiflood and rescue work. [passage omitted]

Bai Lichen set forth specific requirements for the antiflood and rescue work. First, at present, leaders at all levels should concentrate their major energy on antiflood and rescue work and make sure to implement the antiflood and rescue work. [passage omitted] Second, we should make efforts to ensure that all embankments are safe. [passage omitted] Third, we should strengthen leadership and make efforts to provide technology for the antiflood and rescue work. Leading administrative cadres and technological cadres should take charge of the work in the dangerous sections of the embankments. Fourth, we should firmly grasp the work of draining waterlogged areas to reduce losses due to waterlogging. [passage omitted] Fifth, we should carry forward the practice of taking the whole situation into consideration. Only when all departments closely work together can we achieve the flood prevention work. [passage omitted] Sixth, we should grasp the work of sending relief to the disaster-stricken areas. So far, hundred of thousands of people throughout the province have been seriously stricken by the disasters. Some of them are still besieged by the floods and have great food, clothing, and housing problems. [paragraph continues]

Therefore, party and government leaders at all levels should organize relevant departments, such as civil administrative, public health, supply and marketing, commercial, and grain departments, to engage in the work of sending relief to the disaster-stricken areas.

Comrade Sun Qi was the last to deliver a speech. He emphatically pointed out: At present, party committees and government at all levels and each and every party member and cadre are confronted with a severe test. Let us carry forward last year's revolutionary spirit to deal with the antiflood and rescue work, and work together to capture an overall success in the antiflood and rescue work and to make new greater contributions to the four modernizations.

LIAONING REPORTS LOSSES FROM FLOODING

SK190710 Shenyang LIAONING RIBAO in Chinese 6 Aug 86 p 1

[Excerpts] Following last year's serious natural disasters, cloudbursts, floods, windstorms, hailstorms, and mud and rock slides have hit our province successively this year. The serious natural disasters have stricken 10 cities, 281 townships, and 1,529 villages, and great losses have incurred in industrial and agricultural production and the people's lives and property. At present, the disaster situation is still developing, and the troops and civilians throughout the province are going all out to combat floods and are carrying out disaster relief work with a revolutionary spirit under the leadership of party organizations at all levels. [passage omitted]

Natural disasters that have hit large areas have caused great losses to the province's industrial and agricultural production and the people's lives and property. According to statistics from departments concerned, by 5 August, more than 4 million mu of farmland throughout the province had been flooded, of which 1.11 million mu were totally destroyed, and a decline of 1.63 billion jin in grain production is expected. A total of 264,000 fruit trees and 80,000 other trees had been blown down, and a loss of 180 tons of fruit is expected. More than 7,200 head of animals and poultry had died, 1,064 water conservation and aquatic product production facilities and 149.6 km of communications, power transmission and telecommunications lines had been damaged, 30,000 rooms of civilian houses had been flooded, and 11,632 rooms had collapsed. Nearly 1.1 million people throughout the province are afflicted, and at the same time, some township enterprises have suspended production. Direct accumulated economic losses have exceeded 24.22 million yuan so far.

Under the leadership of the provincial party committee and government, all party and government organizations, and the masses of troops and civilians throughout the province, who were tested by last year's antiflood and emergency rescue struggles, have carried forward the workstyle of successive combat, and gone all out to combat the floods and carry out disaster relief work. Leading cadres have gone to the frontline of the two battlefronts of antiflood and disaster relief work extended by various cities and counties to lead the masses in combating floods and safeguarding dikes, and to organize the masses to carry out emergency rescue work simultaneously. PLA commanders and fighters who made great contributions in last year's antiflood struggles have again made new contributions this year. At present, despite the developing flood situation, the people's minds are at rest, social order is good, and the masses of cadres and people, instead of waiting for and relying on others' assistance, are vigorously carrying out relief work through production, and are striving to reduce losses to the minimum.

LIAONING MILITARY LEADERS INSPECT FLOOD SITUATION

SK190818 Shenyang LIAONING RIBAO in Chinese 9 Aug 86 p 1

[Text] On 7 August, Liu Dongfan, political commissar of the provincial Military District, and Yuan Genshuan, deputy commander, as well as other leading comrades, prepared their own food and went to Baijiagou Township in Faku County and Hungjia Township in Xinchengzi District of Shengyang City to inspect the flood situation. After the inspection, they called on the broad masses of militiamen in Shenyang, Tieling, Panjin, Anshan, Yingkou, Benxi and Dandong, particularly those living along the main courses of the Liao He, Hun He, Taizi He and Ai He, to overcome carelessness and a wait-and-see attitude, to make continued and active efforts to prevent flooding, and to prepare for meeting a still greater flood crest.

DEVELOPMENT OF DALIAN ECONOMIC ZONE REPORTED

SK190305 Shenyang LIAONING RIBAO in Chinese 4 Aug 86 p 1

[Text] The focus of construction of the Dalian economic zone has been shifted to industrial construction. By the end of July, the zone had signed 29 contracts on projects concerning joint ventures, cooperation, technology imports, and domestic lateral ties, with a total investment of more than 344 million yuan. Construction of 21 enterprises has started, and projects initiated earlier have already yielded notable results.

After 15 October 1984, when construction officially began, the Dalian economic development zone concentrated efforts on construction of the infrastructure. During the first half of this year, the infrastructure began to take shape, and the focus was shifted to the construction of industrial projects in a timely manner. To date, four of the enterprises constructed earlier have been completed and have gone into operation. The Dongfang Computer Technology Development Corporation, jointly invested in by the Fushun and Shenyang Cities, and Hong Kong, had succeeded in making an office automation system, which, as the only product made by China-foreign joint ventures, was named a quality project at a recent national exhibition on computer applications. This joint venture has made a profit of 800,000 yuan, and is expected to recoup all of its investments by the end of this year. Within this year, 10 projects of the development zone will be completed and commissioned, which, after operating at full capacity, will create 158 million yuan in output value per year.

QINGHAI STEEL PLANT PRAISED IN CADRE REFORM

HK151249 Xining Qinghai Provincial Service in Mandarin 2230 GMT 13 Aug 86

[Text] Xining steel plant boldly reformed its enterprise management system and streamlined its organization at the section level. In addition, it replaced the system of appointing cadres at and above the deputy section head level with that of recruiting them, so that the enterprise has made a great step forward on the road of promoting modern management.

Xining steel plant employs more than 12,000 workers and is the province's largest enterprise. For a long time in the past, the enterprise's overlapping and overstaffed organizations developed the practice of shifting responsibilities onto others. The workers complained a lot about this situation. Following its implementation of the responsibility system of plant director in September 1985, the plant director put the focus of his work on reforming the enterprise management pattern. With close cooperation from the party secretary, he received great support for carrying out reform. The party committee organized leaders of the political work group to repeatedly educate workers about the significance and roles of reform, thereby dispelling the worries of some people.

After reform, the enterprise's permanent organizations decreased from 45 to 40, while its units at the section level were cut by 28 percent. The number of cadres at the and above the deputy section head level was decreased by 197 people. While setting up its internal organizations, the plant acted in accordance with the features of modern management and got rid of the outdated conventions of dealing with matters with personnel of the same rank. It did not follow the practice of creating a job just to accommodate a person. Instead, it emphatically strengthened the work of technological development and quality checks, as well as that of production and operations departments. Moreover, it established the post of director-engineer in workshops, major subsidiary workshops, and technological areas. On the principle of assigning the decision-making power to the grass roots, abolishing posts at the district level, and reducing the number of deputies to office heads, the plant implemented the responsibility system level by level. Its director was mainly responsible for the organizational setup and the number of leading cadres at the department level. Administrative deputies to leading groups at the second level are nominated by the heads and examined by the plant. All heads of leading groups at the third level are wholly recruited by the leading groups at the second level.

In the course of reform, Xining steel plant also stipulated that the terms of office of recruited administrative leaders is 3 years, during which the leaders should work out their management plans and carry out various economic responsibility system. The plant director might dismiss at any time any leader who is incompetent. The ranks of recruited cadres at department and section levels, as well as directors-engineers, will be recognized only when they work for the plant, and the plant will no longer recognize their ranks once they leave the plant.

Station Commentary

HK151305 Xining Qinghai Provincial Service in Mandarin 2230 GMT 13 Aug 86

["Station commentary: "Conform to the Development Trend, Boldly Carry Out Reform"]

[Text] With no fear of difficulties, Xining steel plant resolutely cut overlapping organizations and cut the number of staff members who were not engaged in productive work. This is a valuable step taken by the plant following its implementation of the plant director responsibility system. This bold reform, which conforms to the current development trend, is worthy of praise and should serve as a lesson for other factory directors.

At present, many enterprises in the province still stick to the management style of the 1960's and 1970's, which can hardly conform to the present market structure, and the requirements of consumers. This requires the province's enterprises to conform to the new pattern of industrialized mass production. They should resolutely cut overlapping organizations, and cut the number of staff member who are not engaged in productive work.

Compared to enterprises in other parts of China, our enterprises' production costs are higher. There are reasons for this. One of them is that we have too many staff members engaging in non-productive work. The labor achievements of workers who work on the forefront of production are shared by these staff members. If we let things continue like this, the enterprises will shoulder heavier economic burdens and the production initiative of the forefront workers will be dampened.

At present, many enterprises face difficulties in the work of streamlining organizations and cutting the number of staff members. This is mainly because of personal relations. Some people get used to eating from the same big pot and make no efforts in their work. The recent reform in the Xining steel plant has caused a great reaction among the people and disturbances have come one after another. This illustrates the point. It is normal that there are difficulties and setbacks in the course of reform which will inevitably undermine the interests of some people. Provided that the work will bring benefits to the majority and the plant's production, however, we must carry it out.

Facts have shown that whoever carries out reform first will enjoy the benefits and will be in an invincible position amidst the competition.

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C H I N A
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CONSTITUTION COMMISSION DISCUSSES REUNIFICATION

OW141439 Taipei CNA in English 1358 GMT 14 Aug 86

[Text] Taipei, Aug. 14 (CNA) -- The National Assembly's Constitutional Research Commission held its 76th general meeting Thursday in Taipei.

Vice Chairman Ku Cheng-kang of the commission said at the meeting that now is the key moment for extensively expanding the movement of reunifying China under the three principles of the people.

To attain this goal, the commission will focus its research on how to strengthen the operation of Constitutional Democracy in the Republic of China in order to bring the democratic system to the Chinese mainland at the earliest possible date, Ku noted.

EXPORTERS WARNED AGAINST U.S. PROTECTIONISM

OW190311 Taipei CNA in English 0238 GMT 19 Aug 86

[Text] Taipei, Aug. 18 (CNA) -- The Ministry of Economic Affairs has called on domestic manufacturers and exporters to beware of another wave of protectionism in the United States calling for tougher import restrictions on foreign products Americans consume.

Although the U.S. Congress failed to override President Reagan's veto of the Jenkins Bill, it is still studying to impose restrictions on foreign products by revising the current import certificate system, a ranking official with the Economics Ministry said Monday.

Vice Economics Minister Li Mo said that the U.S. Congress tried but failed to override President Reagan's veto of the Jenkins Bill setting stiff limits on imports of foreign textiles and footwear, but this does not mean that it has given up its attempts to resist foreign imports.

Li indicated that the U.S. Congress has begun to study a new protective bill restricting the issuance of import certificates for foreign products.

The U.S. is the largest buyer of the nation's products, Li said. The bill calling for tighter restrictions on issuance of import certificates, if passed, would have a greater impact on this nation than the Jenkins Bill would have had, Li said, calling on the people here to watch closely the development of this issue.

COMMENTARY HAILS U.S. ARMS SALES TO TAIWAN

OW181413 Taipei CNA in English 1357 GMT 18 Aug 86

[Text] Taipei, Aug. 18 (CNA) -- The following is a commentary by the Broadcasting Corporation of China (BCC) in Taipei entitled "An Investment in Peace."

A senior State Department official reaffirmed last week that U.S. arms sales to the Republic of China on Taiwan is consistent with U.S. law and policy, and in effect, represents "an investment in peace in Asia."

Counselor of the State Department Edward Derwinski was apparently commenting on Peking's protest over the proposed 260-million-dollar package of equipment for Free China's anti-submarine aircraft.

At a briefing for foreign reporters in Washington, Derwinski said in his words: "We don't look upon it as anything other than an investment in peace in the region. It is not a provocative act."

Derwinski's remarks are a statement of facts as he pointed out, arms sales to the Republic of China are specified in the Taiwan Relations Act, which is a law of the United States.

A Free China capable of defending itself is not only what the Chinese people on both sides of the Taiwan Straits want but in the interests of all free nations in the Asian-Pacific region.

There would be war in the Taiwan Straits if the Republic of China loses its defense credibility, because Peking is determined to absorb Taiwan while the 19 million people of Free China will fight to the last man to defend their way of life.

Red China has consistently refused to renounce the use of force. It has not taken military action against Free China only because Free China is adequately prepared for an invasion from the mainland.

As long as Free China's defense deterrence remains convincing, the Chinese communist rulers will have to think hard before they decide to move. The time gained will enable the Chinese people to decide the future of the whole Chinese nation in a peaceful manner.

But it is not the future of China alone that hinges on the security of Taiwan. The security of the entire Western Pacific is closely linked with that of Free China because of the strategic location of the island bastion.

The occupation of Taiwan by a hostile power would pose a serious threat to the sealane of communication to Japan and South Korea. The two nations could be economically strangled if they are denied the safe passage of the Taiwan Straits.

An unfriendly force in Taiwan would also be a threat to the giant U.S. Air and naval bases on Luzon, which is separated from Taiwan only by the narrow Bashee Channel.

As long as Free China remains militarily strong, it will not only keep out Communist China but also play an active role in checking Soviet expansion in the region.

Therefore, it is literally true the continued U.S. arms sales to the Republic of China is an investment in peace.

ANTI-DAYA BAY ACTIVISTS LEAVE FOR BEIJING

HK180526 Hong Kong SOUTH CHINA MORNING POST in English 18 Aug 86 pp 1, 2

[By Chiu Kit-ying]

[Text] Chinese Premier Mr Zhao Ziyang and other top officials may come face-to-face with Hong Kong's antinuclear activists who left for Beijing yesterday to lobby for the shelving of the Daya Bay project.

The wish of the Coalition for the Shelving of the Daya Bay Nuclear Power Plant for a meeting would be conveyed to Beijing by the NEW CHINA NEWS AGENCY, according to coalition spokesman Mr Anthony Ha.

There has been no indication yet that Mr Zhao or his senior ministers will see the 12-man coalition delegation, which flew to the Chinese capital from Guangzhou armed with the signatures of a million Hong Kong residents, a pile of survey findings, newspaper cuttings and nuclear safety reports from overseas.

They represent 115 organisations comprising the coalition.

Mr Ha said at Hunghom railway station it was important for the group to see someone powerful enough to decide whether to shelve the plant or not.

"The technical aspect of our trip is of secondary importance," he said.

Mr Ha said it was China's custom not to release prior information on who top officials would meet, but the group would agitate for meetings while in Beijing.

The NEW CHINA NEWS AGENCY, however, has so far arranged meetings with officials from the Hong Kong and Macao Affairs Office, the Nuclear Department and National Nuclear Safety Administration.

The delegates were not discouraged by an earlier statement from Mr William Stones, chairman of the Hong Kong Nuclear Investment Company, which is wholly owned by China Light and Power, rejecting the demand to terminate the contract to buy electricity from Daya Bay.

"China Light and Power is a commercial company and as such we don't expect it to back out from a major project unilaterally without having to suffer heavy compensation costs," said Mr Ha.

"Therefore it is even more important for us to go to Beijing to persuade the Chinese authorities to shelve the project as it is they who can make the decision not China Light and Power."

The delegates have divided into subgroups, each responsible for briefing Chinese officials on economic, safety, political and health aspects of the Daya Bay plant.

They hope to persuade Beijing to at least postpone the signing of the contracts with France's Framatome and Britain's General Electric Company scheduled to take place in the middle of next month.

The delay could allow time for further studies and consideration on the construction of the plant.

Apart from eight cartons containing more than a million signatures from Hong Kong, the delegates loaded themselves with some opinion surveys which show that a majority of people object to construction of the plant. There were also newspaper cuttings detailing the pros and cons of building the Daya Bay plant and four overseas reports about the safety of the type of pressurised water reactor to be used at Daya Bay.

Another delegate, Mr Fung Chi-wood, hoped China would give serious thought to the reports, which he said were independently conducted and authoritative.

HONG KONG TV TO RECEIVE SOVIET TV BY SATELLITE

HK180504 Hong Kong HONGKONG STANDARD in English 18 Aug 86 p 1

[By Shirely Hui and Peter Loke]

[Text] Russian television programmes beamed off Soviet satellites may soon be flashing on local TV screens.

Asia Television [ATV] has just bought its own satellite dish, manufactured in Shanghai, which will be able to receive overseas satellite transmissions, including those of the Soviet Union. However, there are several formalities the station will have to straighten out before it can broadcast any programmes received on the dish. At present, privately received programmes cannot be re-broadcast without clearance from Cable and Wireless, Hong Kong.

The question is whether programmes beamed off Soviet satellites are covered under international agreements. Meanwhile, ATV said it bought the dish to explore the benefits of the latest technology.

The chief engineer of ATV, Mr Lam Sai-cheong, confirmed a report by the CHINA NEWS SERVICE that they had ordered a 5-metre satellite dish from Shanghai. It is due to arrive soon. With it, the station will be able to receive satellite TV broadcasts from Beijing, the Soviet Union and possibly a few other countries.

Television Broadcast (HKTVB) is also reportedly negotiating with the same company in Shanghai for the same kind of satellite dish, although this could not be confirmed.

If all legal problems are sorted out and the satellite signals are good enough for re-broadcast, ATV audiences may look forward to a wider choice of international fare. But Mr Lam said yesterday it is too early to talk about future viewing.

He would only say if the move is part of the station's preparations to compete with the cable television service which plans to include satellite programmes. "As technicians, we must move ahead of the times. Satellite technology is something we in the broadcasting industry must know about," Mr Lam said.

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Cable and Wireless holds an exclusive licence to provide external television services to and from Hong Kong through its huge station in Stanley. ATV will have to make the appropriate arrangements if it is to televise programmes off its dish.

"We aren't even sure whether the signals we'll receive on our small dish will be good enough for re-broadcast," Mr Lam said. "Unlike other countries, we don't have our own overhead satellites, and the signals are quite weak when they reach us," he said.

But it is technically possible to re-broadcast satellite TV programmes picked up on a 5-metre dish, he added.

At present, the two TV stations pay Cable and Wireless for live satellite broadcasts of football matches and other world events. The daily news programmes also arrive this way. With the installation of its own satellite dish, ATV will be able to receive direct broadcasts -- including news -- from overseas.

PRC OFFICIAL ON HONG KONG RIGHTS, DUTIES

HK180843 Beijing XINHUA Hong Kong Service in Chinese 0752 GMT 13 Aug 86

[Report: "LIAOWANG OVERSEAS EDITION No 33 Carries an Article on the Basic Rights and Duties of Hong Kong Residents in the Future"]

[Text] Hong Kong, 13 Aug (XINHUA) -- Wang Shuwen, one of the responsible people of the group in charge of the special topic "Hong Kong residents' basic rights and duties" of the Basic Law Drafting Committee which has recently finished its activities in visiting Hong Kong gave the following views in an interview with a reporter of LIAOWANG weekly:

At various kinds of meetings to exchange views and get-togethers in the over 10 days during the group's stay in Hong Kong, the issues that people talked much about were in the main the concept of the Hong Kong resident, his rights and duties, his election rights and rights to be elected, and the questions of whether the "International Covenant on Civil and Political Rights" and "International Covenant on Economic, Social, and Cultural Rights" are applicable to him. A relatively common view is that the regulations on Hong Kong residents' basic rights and duties in Hong Kong, have Hong Kong characteristics, meet Hong Kong's needs, and facilitates safeguarding Hong Kong residents' rights and interests and Hong Kong's stability and prosperity.

Wang Shuwen then said that from the opinions given by the people, he could see that in order to make the regulations of Chapter 3 of the Basic Law meet these requirements, it is necessary in the work of drafting to pay attention to solving the following problems. He first discussed the need to fully embody the principle of "one country, two systems." The structure of the Basic Law (Draft) already clearly points out in its "Preface": Under the guidance of the principle of "one country, two systems," the Hong Kong Special Administrative Region [SAR] is to be established: A Basic Law of the Hong Kong SAR is formulated in accordance with Article 31 of the Constitution in order to safeguard the sovereignty of the state and Hong Kong's stability and prosperity. These principles must be embodied in the various chapters of the Basic Law when it is drafted.

At the get-togethers, the people of various circles in Hong Kong all stressed that both in drafting Chapter 3 and in deciding the wording concerning the Hong Kong residents' basic rights and duties we had to conscientiously implement the basic principle of "one country, two systems."

Concerning the principle that Hong Kong's existing laws will remain in the main unchanged, Wang Shuwen said: Maintaining Hong Kong's existing laws in the main unchanged is a basic principle fixed by the Sino-British Joint Declaration and the (Draft) Structure of the Basic Law. At present, there is no law among the existing laws in Hong Kong that collects and provides unified stipulation on Hong Kong residents' rights and duties. However, there are quite many a few and cases of precedence related to them. Many Hong Kong people expressed the view at the get-togethers that in drafting Chapter 3 of the Basic Law, we should conscientiously implement the principle of maintaining Hong Kong's existing laws basically unchanged in order to earnestly ensure Hong Kong residents' rights and freedom. Some pointed out that Hong Kong's existing laws provided on the one hand the rights and freedom to be enjoyed by Hong Kong residents, but on the other hand, they also provided some conditions and restrictions such as those forbidding people to undermine public order or to encroach on other people's right. This was entirely necessary in safeguarding Hong Kong's stability and prosperity. Others held that maintaining Hong Kong's existing laws basically unchanged does not mean that the legislature of the future Hong Kong SAR cannot formulate new laws in the light of the actual situation and in accordance with the relevant stipulation in the Basic Law and the procedure provided by law in order to meet the demand resulting from Hong Kong's development. Shuwen believed that all these opinions were very useful for reference.

As for provisions of the "International Covenant on Civil and Political Rights" and the "International Covenant on Economic, Social, and Cultural Rights" as applied to Hong Kong, some Hong Kong people suggested that they should be written into an annex of the Basic Law. Wang Shuwen said that both the Sino-British Joint Declaration and the (Draft) Structure of the Basic Law clearly stipulate that these two covenants as applied to Hong Kong will remain in force. Now, most of the people believe that as the detailed provisions of these two covenants are quite long, it is fairly difficult to write them entirely into the Basic Law. A comparatively satisfactory way to solve this problem is that clear provisions are written into the Basic Law concerning the rights and freedom listed in the Sino-British Joint Declaration and (Articles 2-11 of Chapter 3) of the (Draft) Structure of the Basic Law. By so doing, the Basic Law will be able to embody the main contents of the provisions of the two covenants as applied to Hong Kong. In addition, another provision of principle can be written into the Basic Law, clearly stating the relations between the provisions of the two covenants as applied to Hong Kong and the laws of the Hong Kong SAR and stating that these provisions will be implemented in accordance with and through Hong Kong's law.

On this reporter's question of how the issue concerning Hong Kong residents and other people is to be resolved in drafting the Basic Law, Wang Shuwen said: People have shown great concern about this and hope that the basic law proceed from Hong Kong's characteristics and the reality in an international city and thus pay attention to protecting not only the legitimate rights of the residents of Chinese nationality but also those of the residents of foreign nationality and to protecting not only the legitimate rights of Hong Kong residents but also to legitimate rights of other people in Hong Kong. Now many people believe that there should be two kinds of Hong Kong residents: Permanent and nonpermanent residents.

Permanent residents are the six categories of people in Annex 1 of the Sino-British Joint Declaration who have the right of abode in the Hong Kong SAR and, in accordance with the law of the Hong Kong SAR, be qualified to obtain permanent identity cards issued by the Hong Kong SAR Government. According to the conditions (including those related to age) provided by the law, these permanent residents enjoy their rights to vote and be elected. By nonpermanent residents, who are also called ordinary or temporary residents, we mean those who are already qualified to be Hong Kong residents, but who are not yet qualified to be in the abovementioned six categories of Hong Kong residents. Those who are not the abovementioned Hong Kong residents are other people living in Hong Kong. Wang Shuwen held that it is necessary for the Basic Law to stipulate that the legitimate rights of other people in Hong Kong are also protected by Hong Kong's law as well as to stipulate the rights and freedom that the Hong Kong residents should enjoy as stipulated in the special administrative region's law (including Hong Kong's Basic Law, Hong Kong's existing laws, and the laws that will be made by the Hong Kong SAR's legislature).

Concerning the legitimate rights and interests of the original residents in the New Territories, Wang Shuwen said that in the light of the special situation in the New Territories, in stipulating Hong Kong residents' rights and freedom, it is necessary to write into the law some special rights and interests that the original residents of the New Territories have originally enjoyed according to Hong Kong's existing law. Annex 3 of the Sino-British Joint Declaration contains some provisions related to land deeds to protect the relevant rights of the original people in the New Territories. Therefore, (Article 35 of) Chapter 3 of the (Draft) Structure of the Basic Law clearly says, "The legitimate rights and interests of the original people of the New Territories are protected." Many people are of the opinion that this stipulation is conducive to strengthening the unity among Hong Kong residents.

Concerning Hong Kong residents' duties, Wang Shuwen said that most people believed that while stipulating the rights and interests of Hong Kong residents and other people, the Basic Law should also stipulate the duties that they should perform. As for what duties it should stipulate, quite many people who took part in the get-togethers put forth their opinions and views. Generally, they all think that the stipulation in (Article 16) of Chapter 3 of the (Draft) Structure of the Basic Law that Hong Kong residents (and other people) should perform the basic duty of obeying the law of the Hong Kong SAR is necessary and proper.

On this reporter's question of whether any new issue not clearly listed in the Sino-British Joint Declaration and the (Draft) Structure of the Basic Law can be written into the Basic Law, Wang Shuwen said when they draft the Basic Law, they would conscientiously study and consider all new suggestions and opinions. During their visit, they heard some people's suggestions about adding some new contents to Chapter 3 including the principle of all people being equal in face of the law, freedom of writing, press freedom, welfare for laboring people, and protection of women's legitimate rights and interests. When the third meeting of the group in charge of this special topic is held in Xiamen in late August, it will discuss these suggestions.

Concerning this reporter's last question about the question asked by some people of whether the guiding thoughts for drafting the Basic Law should be socialist or capitalist legal concepts, Wang Shuwen said that this was a very clear matter. Just as Ji Pengfei, chairman of the committee, said: We should make the Basic Law accurately embody the principle of "one country, two systems" in an all-round manner and we should satisfactorily unify "one country" with "two systems."

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This means that we should combine loving the motherland with loving Hong Kong and draft a basic law that can safeguard both our country's sovereignty and Hong Kong's stability and prosperity. He also expressed the view that in drafting the Basic Law, it is necessary to follow the guiding principle of "one country, two systems" and to both refrain from deviating from the spirit expounded on by the Sino-British Joint Declaration and its annexes and fully solicit the opinions of people of all circles in order to write into law the series of our country's basic principles and policies toward Hong Kong.

Issue No 33 of the (Overseas Edition) of LIAOWANG weekly, which will soon come off the press, publishes the contents of its reporter's interview with Wang Shuwen in the article entitled "Wang Shuwen on Characteristics of Hong Kong Residents' Basic Rights and Duties in the Future."

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